FBIS DAILY REPORT

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COLOMBIAN, VENEZUELAN MINISTERS VIEW CONTADORA

PA232351 Panama City Circuito RPC Television in Spanish 1730 GMT 23 Jul 85

[Text] Colombian Foreign Minister Augusto Ramirez Ocampo has said that the recent meeting of the four foreign ministers of the Contadora Group represents a break in the impasse of the negotiations process which should culminate with the five Central American countries signing a peace agreement. The Colombian minister made the following statements to RPC Television Channel 4, shortly after the meeting concluded:

[Begin recording] We have made progress in these 2 days toward breaking the impasse in the Contadora Group actions. I think we have achieved it. We are going to continue negotiating the last chapter of the document, the only point we have yet to solve, the issue of security, and we are going to implement the request we received from the OAS inviting Costa Rica and Nicaragua to negotiate their border conflict in Panana. The facts we have gathered on Contadora Island with regard to this Latin American effort to find a negotiated peace allows us to believe that we can resume the dialogue and avert violence and war. [end recording]

Concerning what should happen in the event the Contadora Group, fails, Ramirez Ocampo said:

[Begin recording] It is difficult to think about other alternatives if the peace mechanism of the Contadora Group should fail. We do not even want to think that this could happen. I continue being optimistic and I believe that reason will finally prevail. [end recording]

The four foreign ministers of the Contadora Group have met 15 times in 31 months and they returned to the site where their peace initiative originated in order to evaluate the negotiations process and outline a five-point plan of action which will begin with the visit of the deputy foreign ministers of Panama, Mexico, Colombia, and Venezuela to the Central American countries, where they will ask for suggestions and recommendations from the area governments on regional security, on urging Nicaragua and the United States to resume the Manzanillo dialogue, and on persuading Costa Rica and Nicaragua to meet in Panama before 10 August to discuss their border conflicts. Venezuelan Foreign Minister Simon Alberto Consalvi made the following statements when analyzing the meeting:

[Begin recording] We foreign ministers concur in our view of the Central American problems. We have taken important initiatives to reactivate the process and find a solution. [end recording]

In reference to the East-West confrontation, Consalvi said:

[Begin recording] I think that East-West confronatation is unfortunately becoming an issue in all areas of the world and Latin America is no exception. What we Latin Americans have to do is to seek experience, solutions, and Latin American alternatives to our problems. That is what we must do and what concerns us is the value of the experience and the initiative of the Contadora Group. To the extent that we are able to give prestige and value to our own initiative, we will be able to move our countries away from the risk of falling into the East-West conflict and of being a pawn in the chess game played by the superpowers. [end recording]

MCCOMIE ADDRESSES OAS ON BEGINNING SECOND TERM

FL231737 Bridgetown CANA in English 1525 GMT 23 Jul 85

[Speech by Barbados Ambassador to the OAS Val McComie on assuming assistant secretary post; given in Washington on 3 July]

[Text] As I begin my second term as the assistant secretary general of the Organisation of American States, I wish to reiterate my deep gratitude to the representatives of the member states who unanimously selected me for that office in Brasilia last November.

I should also like to again express my sincere appreciation to the Government of Costa Rica, whose generous gesture made possible such a positive demonstration of solidarity. I feel personal pride and satisfaction at the honour that has again been bestowed upon my country, Barbados, and on myself.

I interpret your decision as a renewal of the mandate to work vigorously to promote better understanding among all members of the organization. I have served for five eventful years, and I am fully aware of the constitutional duties and administrative responsibilities of the office. In accordance with the provisions of the Charter, the assistant secretary general is the secretary of the Permanent Council, being thus responsible for providing the technical and logistic support to the body that directs the day-to-day action of the organisation in the political sphere. The secretary of the Permanent Council must have at his disposal adequate technical support to provide expertise on political matters of specific interest to the Permanent Council.

Having been directly chosen by the member states, unlike other executive officers in the Secretariat, he is also the deputy to the secretary general. As such he is the highest ranking advisor to the highest elected officer in the organization, and he must be in a position to carry out the duties of that office in case of temporary or permanent absence of the secretary general. The extent to which he is able to effectively discharge this function depends on the degree to which he is fully informed of all substantive issues, plans, and decisions within the General Secretariat, and on the extent to which he is consulted on policy decisions.

When the secretary general and his deputy are elected to office, they are charged with special responsibilities as international servants by the member states. Because they are unencumbered by the pressures of promoting the interest of any particular nation, the elected officers of the organisation have the duty to uphold the principles of the Charter, and to serve all members impartially in the interest of promoting friendly relations among the countries of the Americas. They are also expected to recognise that, in addition to the principles of the Charter, their actions should conform to the highest moral and ethical standards.

It is not the practice in our organisation for elected officials to take an oath of office when assuming their duties. In spirit, however, I am taking that oath of office today by reaffirming before you, as the legitimate representatives of the member states, my unswerving commitment to the principles embodied in the Charter of the Organisation of American States, and my determination to abide by those principles. Let me add that my task will be far easier since we have the good fortune of being able to rely on the capable leadership of my good friend Joao Clemente Baena Soares as secretary general. In addition, experience has taught me that we can count on the devotion of our highly professional staff which shares the same degree of commitment to the ideals of the organisation.

I am taking office at a time when the purposes and basic instruments of our regional organisation are under critical scrutiny. I, therefore, feel it is my duty to share with you my thoughts on some of these fundamental issues. I agree with those who believe that the problem is not only one of substance, but is also a matter of perception. Perception, after all, is a substantive matter.

There have been for many years increasing doubts about the role of the Organisation of American States, and also about the means by which its mission should be accomplished. But this in itself is no cause for alarm, since such analysis and questioning can be a therapeutic experience for an international organisation. Indeed, the history of the inter-American system, whose centennial we shall celebrate in 1990, has demonstrated that such periodic self-analysis was indispensable in determining its tranformation from the Bureau of the American Republics to the Organisation of American States.

However, what is a cause for serious concern is the fact that, even after the Organisation of American States has been in existence for almost forty years, the vast majority of the people of this hemisphere ignore its existence, and those who do know about it have the wrong idea of its nature and purpose. The organisation is generally perceived either as a supranational institution with a somewhat repressive mission, or as an ineffective international instrument to promote national interests. This situation is all the more surprising when it is remembered that, in the preamble of the Charter, the signatories claimed to speak in the name of the peoples of the Americas when they proclaimed the nature and purposes of the organisation, its principles, the fundamental rights and duties of the member states, and the instruments by which it will perform its functions.

Nevertheless, people are not the mainspring of either our institution or its basic instrument. The emphasis in the Charter is rather on the rights and obligations of states. The state, as you well know, is a juridical abstraction. For this reason, an organisation of states is perceived as being mainly a juridical entity. I believe that people are at the source of rights and obligations. Ours should be an organisation where the major emphasis is on people rather than on states. It is the people of the Americas who are striving to build a better world for themselves and for succeeding generations. It is people who are capable of cooperation, as history has shown, not states that are narrow in their goals and limited in their means. If we decide to make this an organisation of the people of the Americas, our whole approach to its nature and purpose, and thereby towards its priorities and means of action, would drastically change.

The first duty of an international organisation that recognises the well-being of people as its primary responsibility must be the defence of human rights. Human rights should be the paramount concern of our organisation, even taking precedence over relationships among states. Respect for human rights should be the fundamental principle embodied in the Charter, and the Inter-American Convention on Human Rights ought to become the cornerstone of the system. The concept of human rights as recognised by international law is a broad and comprehensive one. It embraces not only the right to life and the integrity of the person; to due process under the law; to freedom of opinion, expression, association and worship; but also to possibility of full access to education; to other opportunities to develop the person; to gainful employment and social participation; as well as the unalienable right to express from time to time, through free elections, preferences with respect to the form of government and the men and women who shall govern.

Because political rights are an extension of human rights, it is from recognition of the sovereign rights of the people that is derived the notion of representative democracy as the ideal form of government. Let me make clear that I view the democratic ideal as a philosophical concept meaning the existence of social structures that ensure full participation by the people in the process of communal decisions, not necessarily as a system of government whose characteristics ultimately depend on those collective determinations. It is from a clear realisation that human beings are the real foundation of the organisation that the principle of ideological pluralism should be enshrined in the Charter.

Through the free expression of their political will, people have the right to determine the social, economic, and political structures under which they prefer to live. And finally, it is because people have a fundamental right to conduct their own affairs free from outside interference that all vestiges of colonialism should be eliminated from the Americas.

The participation of the Organisation of American States in development activities in the socio-economic field has been specifically questioned. There is a line of thought, often expressed, that the organisation should be an exclusively political entity, and that technical cooperation should be the function of other institutions.

If we accept that human rights is the central concern of the OAS, and that economic and social well-being are among the basic rights of human beings, then cooperation in their pursuit is a suitable activity for a human rights oriented organization.

International organizations are not suprastate institutions that infringe on the sovereignty of their member states. Nevertheless, they imply some degree of adaptation to the common good in the exercise of national sovereignty. By committing themselves to a set of principles, the member governments implicitly accept the right of their partners to monitor their compliance with those principles. This is particularly true, even with respect to the principle of non-intervention. Respect for this principle as one of the basic norms for civilized co-existence among nations does not mean a lack of concern for violations of international law. Non-intervention, even in its most liberal interpretation, should not be used as an excuse for justifying apathy. A true commitment to human rights means that the state of compliance within each member nation ought to be a matter of common concern, an issue that transcends national boundaries.

The perception of people, as the real purpose of the actions of international organizations, makes the practice of representative democracy a question of interest to all participating nations. Intervention in a purely political sense, including the possibility of applying some pre-established sanctions through a clearly determined procedure, should not be acceptable to members of the organization as a means of restoring respect for human rights where they are being violated, and for promoting democracy where it has been interrupted or is threatened. An organization of the people of the Americas should give preference to the concept of nation over that of state, to the socio-political entity over the juridical one. Nations are the highest form of sociological organisms and they are characterized by features directly referring to people, such as ethnic, cultural and historical bonds that generate common goals and interests.

The state is the juridical representation of the nation, while the term nation refers mainly to the human component of the state. It would be worth considering again, as it was in 1948, whether our institution should more properly be known as the Organization of American Nations, rather than the Organization of American States. The former would convey a more direct linkage to the ideas of a people's undertaking.

As I have already suggested, this new approach to the nature of the organization has clear implications for the hierarchy and scope of its principles and functions in the political field. It would also have some important consequences with respect to its contribution to the development process of Latin America and the Caribbean. The focus would shift to programmes directed to people, designed for building better understanding among nations, and to activities tending to strengthen collective participation in national development efforts. Greater emphasis could be put on the obligation to disseminate information about the organization, so that people would become more directly involved in its operations and be better informed about its nature and goals. It should be the responsibility of the organization and of its member governments to provide this widespread knowledge about the OAS.

This renewed emphasis on one of its central purposes, to promote integral development through cooperation, is bound to contribute to the revitalization of the organization. To do so effectively, the organization must reestablish itself as the preeminent forum in the hemisphere for discussing all facets of human development.

Among the great achievements of the organization during the last forty years has been the creation of specialized agencies such as [Pan American Health Organization], IDB and IICA [Inter-American Institute for Cooperation on Agriculture] to deal specifically with matters of cooperation in the fields of health development, financing, and agriculture. The scope of their contribution to development is partially lost because we lack the opportunity to evaluate it within an integral context.

The annual meeting of the General Assembly of the OAS provides that opportunity if all relevant agencies bring to its attention aspects of their activities which have political implications. The General Assembly would thus be in a position to address on a regular periodic basis the issue of inter-American cooperation for development.

Our organisation, it has been often noted, is of a regional character but is composed of subregional entities with diverse characteristics, objectives, and interests. It comprises the most advanced industrial nations in the world, together with a group of countries in various stages of development. The obvious opportunities for cooperation arising from those circumstances should be fully explored and utilised. The clear cut possibilities for conflict they generate should be carefully assessed and neutralised.

Even within the developing nations of the hemisphere, that share so many problems and ideals, there are different cultural and historical traits that have to be taken into account. There are subregional bonds that have to be recognised and strengthened. The political integration between the Caribbean and continental Latin America should also be a matter of concern for the organisation in years to come.

Our region, of course, is part of the world, and many issues that we face relate to global concerns. A few days ago we commemorated the 40th anniversary of the existence of the Charter of the United Nations as a testimony to the will of mankind to live in harmony and peace. When the United Nations was founded in San Francisco in 1945, the Western Hemisphere countries that were signatories of the Charter made certain to include provisions to permit the maintenance of the already existing regional organisation. In Bogota in 1948, the approved OAS Charter stated that within the United Nations, the Organisation of American States is a regional agency.

There has been a long and fruitful tradition of cooperation between the world organisation and the inter-American system. Nevertheless, existing links should be reinforced and institutionalised. The regional organisation must be synchronised with the global one, in the sense that all decisions should be consistent with those adopted by the world organisation. The role of the regional organisation should be twofold: On the one hand, it would initiate policies that could then contribute to global solutions; on the other hand, it could be assigned the responsibility for implementing global policies at the regional level. Review on the part of the United Nations regarding its own structure and programmes would also be called for, so as to ensure a more harmonious relationship of collaboration.

This organisation that has played an important role in fostering hemispheric cooperation in the past still has a promising potential for the future. It is up to the governments you so ably represent to respond to the stern challenges of the present circumstances. They must renew their commitment to abide by the principles of international law, and to enact a Charter that consecrates and protects the fundamental rights of the people of the Americas to enjoy their freedom, to live in peace with one another, and to join in a common effort to achieve their social well-being. Within the possibilities of my functions and of my ability, I intend to join with you in pursuing the promotion of the basic human rights of the people of this hemisphere. Together we can work to make this a people's organisation by making this organisation responsive to the people from whom it springs.

DOMINICAN REPUBLIC'S PRESIDENT ARRIVES FOR VISIT

PY232236 Buenos Aires TELAM in Spanish 2215 GMT 23 Jul 85

[Text] Buenos Aires, 23 Jul (TELAM) -- The plane which brought Dominican Republic President Salvador Jorge Blanco for a 2-day visit to Argentina landed at the Aeroparque Metropolitan Airport at 1838 local time. President Raul Alfonsin, his wife, and several members of the national cabinet welcomed Jorge Blanco. In his formal address, the visiting chief executive called for unity in our troubled America.

FOREIGN MINISTER CAPUTO ARRIVES IN FRANCE

PY191744 Buenos Aires Domestic Service in Spanish 1600 GMT 19 Jul 85

[Text] Foreign Minister Dante Caputo arrived in France this morning. A French source has confirmed that French Foreign Minister Roland Dumas will probably meet his Argentine counterpart in a southern French city on 20 July. The French minister is now near Bordeaux, and tonight will return to Paris. Dumas will probably meet Minister Caputo on 20 July.

UN COMMITTEE NOTIFIED OF FALKLANDS POSITION

PY231510 Buenos Aires TELAM in Spanish 1919 GMT 22 Jul 85

[Text] Buenos Aires, 22 Jul (TELAM) -- The Foreign Ministry today summoned the diplomatic representatives of 15 of the 24 countries making up the UN Decolonization Committee to notify them of the Argentine position on the Malvinas conflict. Diplomats from the following countries reported to the Foreign Ministry: Bulgaria, Ivory Coast, Cuba, the CSSR, Chile, the PRC, India, Indonesia, Iran, Iraq, Sweden, Syria, the USSR, Yugoslavia, and Venezuela.

Afghanistan, Congo, Fiji, Mali, Tanzania, Tunisia, Trinidad and Tobago, Ethiopia, and Sierra Leone are also members of the committee but have no diplomatic missions in Buenos Aires or have concurrent admbassadors who are not headquartered in Buenos Aires.

Argentina will submit a draft resolution on the Malvinas Islands to the committee, which will analyze it in August. The UN General Assembly will analyze it in September.

The committee members were received at the Foreign Ministry by Marcelo Delpech, the under secretary for border and southern matters.

AIR FORCE TO DISCHARGE 30 PERCENT OF DRAFTEES

PY231338 Buenos Aires TELAM in Spanish 2051 GMT 22 Jul 85

[Text] President Raul Alfonsin and Defense Minister Roque Carranza have signed Decree No 1345, which will go into effect today. It authorizes the Air Force chief of staff to discharge 30 percent of the draftees of the class of 1966 and some others.

The decree also states that those members who have sentences to serve or longer service terms will have to remain in the force.

ARMY DOCUMENT DEFENDS ANTISUBVERSIVE ACTIONS

PY240235 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1810 GMT 23 Jul 85

[Text] Buenos Aires, 23 Jul (NA) -- The chief of staff of the Army has sent a document to the Federal Court, presently trying nine former Armed Forces commanders in chief, in which he states that "the crisis which the country is experiencing compels us to leave behind a past that is crushing us" and proposes "a future of reconciliation," so as to "strengthen this democracy that has been achieved at the expense of the lives of many Argentines," while defending in general terms the actions which the Army carried out in the course of the antisubversive struggle.

The declaration, which is a veritable discourse on the current Army leadership's doctrine, emphasizes that "it is biased and wrong to seek excuses by simply acknowledging that there was a war" in order to justify certain actions. However, it also warns that it would be unfair and equally wrong to "flatly deny that a war was going on, thus eliminating any possible attenuating circumstance for the actions of the Armed Forces against Marxist revolutionary subversion."

After acknowledging that the military government sought to carry the struggle against subversion "into every sector of the nation's activities," the chief of staff states that "quite possibly the military government should have reached an agreement with the political parties after destroying the subversive military apparatus, in order to guarantee a peaceful future." The document states that "such an accord would have prevented a distortion of the image which the people have of their Armed Forces," adding that this distortion stems "from a biased approach to the trial of the former commanders in chief and the testimonies of the witnesses which are taken out of the context of the war, thus making the members of the Armed Forces appear to be a gang of schizophrenics and sadists, which merely worsens the false schism between the military and civilians."

The Army document answers the six questions which lawyer Jose Maria Orgeira, who is defending Lieutenant General Roberto Viola, retired, had asked the Federal Court to relay to the Defense Ministry so as to have them answered by the joint chiefs of staff and the chiefs of staff of the three Armed Forces branches. The court's request was received at the Defense Ministry on 6 May and in view of certain disagreements as to the manner in which the request should be handled it was decided that each branch would prepare its own answer and would channel it through the Joint Chiefs of Staff. By mid-July the reports were submitted to General Guillermo Waldner, joint chief of staff, and relayed to the Federal Court. According to information leaks, every one of the answers categorically reaffirms that the nation was in the grip of a state of war or a warlike situation as a result of armed actions of subversive organizations.

According to the newspaper AMBITO FINANCIERO, the Navy report is approximately 20 pages long while that of the Air Force is somewhat shorter. The Army report has two parts, the first of which gives precise answers to the questions of lawyer Ogeira. This part is only a little over 10 pages long. The second part, or annex, 80 pages long, constitutes an analysis of the concept of revolution, the laws "related to the subversive and terrorist phenomenon," and the development of this phenomenon in Latin America in general and Argentina in particular. This lengthy doctrinal analysis is supported by the description of some of the main actions carried out by subversive organizations and two pamphlets, one 125 and the other 249 pages in length.

Essentially, Orgeira asked for a definition of the state's ability to face subversive terrorism in 1970, and the six points about which he requested information are as follows:

What was the internal situation in the 1970's concerning the existence of subversive groups?
When did the Revolutionary Armed Forces [FAR], the Montoneros, and the People's Revolutionary Army [ERP] begin to act publicly?
What were their first important armed operations?
Did these subversive groups act in accordance with the revolutionary war doctrine?
Are the five stages of revolutionary war: deployment and infiltration, separation of the people from the legal power, control of the population, creation of dominated zones, and general offensive?
Did the Argentine Government have a legal basis and an adequate plan for the use of military power to meet the demands of a revolutionary war in the 1970's?

An Army answer states that the year 1970 "clearly marks the beginning of a generalized and coordinated aggression against the country's institutions" and that the FAR, the Montoneros, and the ERP had publicly emerged during that period. It also provides a lengthy and detailed list of the different types of operations carried out by those organizations and confirms that they acted in accordance with the revolutionary war doctrine.

Regarding the development of that war, it admits that it can be divided into stages which are described in a similar manner, though not identical to that listed by Orgeira, although it explains that the succession of events are not always orthodox.

Finally, regarding the legal basis and the military planning to face the armed subversion, the Army response states that in 1970 planning "did not meet the needs of the new situation," and so in September 1970, the junta of commanders in chief (Lanusse, Gnavi, and Rey) implemented a strategic military order. That order "contemplated the successive use of police security, and finally Armed Forces, if required by the failure of each group."

Regarding the legal basis for combating subversion, it cites the Constitution (Articles 23 and 86); Law No 16,970; Decree 739-67; the Penal Code, the Code of Military Justice; Law No 18,234 on repression of communism; Law No 18,235, referring to the expulsion of foreigners; and Law No 18,670 which provided for oral proceedings for some subversive crimes in a single unappealable trial.

In conclusion, the Army Staff feels that "the exceptional characteristics of the subversive terrorist action" in the 1970's which "reached the fourth stage (creation of dominated zones)," establish established the of "an internal revolutionary war with foreign support."

The introduction of the "annex," which extensively analyzes the subversive phenomenon, stresses that "the assessment of military action against subversion has given rise to a real controversy in which, one way or another, the Argentine people play the role of either a participant or a witness.

The Army points out that "no one will fail to realize that this controversy has been based on criteria and opinions" that are "far from being an impartial analytical and synthetical approach." It then warns that the facts "have been interpreted, taking into account not only their own nature but also the historical circumstances under which they occurred. In addition, this interpretation reveals personal impassioned attitudes and prejudices." This partial approach has been favored "by an incomprehensive capacity to forget everything that cast shadows over the history of the fatherland and over its purest traditions and ideals," the doucment adds.

The document also stresses that "as a result of the characteristics of the struggle, not even under principles of international law has it been possible to build a theory that may provide an appropriate framework to deal with the problem of revolutionary war."

After stressing the magnitude of the subversive action in the country, the Army points out that the situation that developed was completely new, not only for Argentina but for the entire world as well. In this regard, the Army says that "in the face of the development of terrorist activities in the Middle East and in Central America, the U.S. President defined the phenomenon of world subversion and armed violence as actions of war, and warned that 'under international law, any state that is the target of actions of war is entitled to defend itself.'"

The first part of the long analysis views the concept of revolution, starting with Marx and Engels, Lenin, Stalin, Mao, the Cuban revolution, the tricontinental organization, the Latin American Solidarity Organization and finally the appearance of armed subversive organizations in Argentina.

When referring to the "revolutionary war," the Army says that "the defeat of subversion shall never be complete" and that "the enemy will try to take advantage of the opportunities it may find by waging a revolutionary war or by overwhelming constitutional governments." Concerning the strategy of overwhelming governments, the Army points out that "treacherous action will grow to unexpected levels and, even though this type of action is not the object of this analysis, it is necessary to emphasize and warn of the possibilities of such an action and the seriousness of its implications."

The document also recalls that the plans to resort to military power both internally and externally are kept secret by high-ranking government officials and military officers.

"Fortunately for the Argentine people, most of the plans to use the Armed Forces have remained as such, without implementation. Therefore, the public has not and will not know them," the document says.

The part of the report dealing with the increasing importance of subversive activities gives particular emphasis to what happened at Ezeiza on 20 June 1973, when General Peron returned to the country, "and there was an attempt to overwhelm or assassinate the Justicialist leader."

The Army also points out that "the basic objective" of increasing armed actions between 1971 and 1972 "was to induce the government to discontinue the electoral process it was sponsoring in order to provoke total chaos."

The report then outlines the successive decisions the constitutional government made in 1975 to begin the military operations against terrorism first in Tucuman and later throughout the country, when it ordered that terrorism be eliminated.

The document points out that "whether in agreement or in disagreement with the political decision the government made on that occasion, it is not possible to ignore that this decision marked the beginning of an internal war."

INFLATION RATE EXPECTED TO EXCEED 3,000 PERCENT

PY231421 Madrid EFE in Spanish 1506 GMT 19 Jul 85

[Text] La Paz, 19 Jul (EFE) -- During the first half of the year, the inflation rate reached 1,513 percent in Bolivia, and this rate is likely to grow as much as 6 times [as received] by the end of the year, the National Statistics Institute (INE) has reported. The consumer price index, which measures the inflation rate, is calculated on the basis of four items: housing, clothing, food, and entertainment.

During this period, the cost of entertainment grew by 1,687 percent. This was the highest growth rate during the first half of the year. The sale of books, magazines, newspapers, and movie tickets has decreased sharply as prices have skyrocketed. A country going through a serious economic crisis because of unbridled hyperinflation, Bolivia seems likely to break the Latin American record for rising cost of living and deteriorating purchasing power of salaries, as it did in 1984. The cost of major food items, housing, and clothing grew by 1,503; 1,486; and 1,477 percent, respectively.

Bolivian families have changed their consumption habits and standard of living; meat and dairy products have disappeared from the diet of the poor.

The following is a monthly breakdown of the inflation rate growth: January, 68.78; February, 182.77; March, 24.94; April, 11.78; May, 35.66; June, 78.46 percent, respectively.

According to official reports, the inflation rate will surpass 3,000 percent at the end of the year, based on observed trends. The same thing happened in 1984.

MNR SAYS IT WON IN SANTA CRUZ DEPARTMENT

PY190338 La Paz Cadena Panamericana in Spanish 0000 GMT 19 Jul 85

[Text] Juan Carlos Duran, one of the main leaders of the Nationalist Revolutionary Movement [MNR], has said it is amazing how his party is recovering lost ground as votes are being counted. Duran made this statement over the telephone to Radio Panamericana this afternoon.

[Begin recording] The MNR has its own computer center and has accumulated data based on copies of the vote-count in its possession. At this time, we have approximately 90 percent of the vote-count in Santa Cruz. We now have more figures on the vote-count in the city, and about 40 percent of the provinces, which together make up about 90 percent of the votes in Santa Cruz Department.

The figures compiled by the MNR computer center are the following: MNR has 110,699 votes, and the National Democratic Action [ADN] has 99,017. This is the relationship between the two parties that received the greatest number of votes in that department. [end recording]

Duran said the data is unofficial and that the figures from remote areas are still not known. He said the vote-count favoring the MNR headed by Paz Estenssoro tends to increase with the vote-count tallied in the provinces.

[Begin recording] Regarding the recount being carried out in the Departmental Electoral Court, it has been found that a large quantity of voided votes belong to the MNR. They were nullified because the marks or signs were put just outside the small white square of the multicolor and multisign ballots.

After the electoral law is reviewed by representatives of the political parties, officials of the Departmental Electoral Court will recount the votes, which will tend to increase the MNR's lead. It is already the winner in Santa Cruz Department with a large lead over the runner-up ADN. [end recording]

ADN ACCUSES MNR OF FRAUD IN RURAL AREAS

PY231443 La Paz Cadena Panamericana in Spanish 1130 GMT 23 Jul 85

[Text] The Nationalist Democratic Action [ADN] through Guillermo Fortun has accused the Nationalist Revolutionary Movement [MNR] of fraud in the rural areas to increase its votes. During a press conference at the Plaza Hotel, Fortun said the MNR will have a small lead over the ADN in the rural areas. He accused the party headed by Paz Estenssoro of fraud.

[Begin recording] In areas where there has been no fraud either ADN or the Vangard Nationalist Revolutionary Movement are leading. [end recording]

Fortun added that ADN, a party of profound democratic convictions, will not question the results of the 14 July general elections in order to strengthen the democratic process prevailing since 10 October 1982.

[Begin recording] Despite manipulations by the extreme leftist parties and the MNR, despite all of this, we are not concerned because of the great lead our party has over the others. We are going to wait, confident that the will of the people expressed in the 14 July elections will be respected. [end recording]

ADN HOLDING INFORMAL TALKS WITH POLITICAL GROUPS

PY202340 Madrid EFE in Spanish 0210 GMT 20 Jul 85

[Text] La Paz, 19 Jul (EFE) -- Eudoro Galindo Anze, vice presidential candidate of the Nationalist Democratic Action (ADN), the party that won the elections held on 14 July, today told EFE that informal talks are being held with various political groups to find a way out of the looming crisis. Because none of the parties has obtained an absolute majority, the Constitution provides that it will be up to the Congress to elect the president from among the three candidates with the most votes: General Hugo Banzer Suarez, Victor Paz Estenssoro, and Jaime Paz Zamora.

According to partial vote-counts and unofficial estimates, the ADN has obtained between 33 and 35 percent of the votes; the Nationalist Revolutionary Movement (MNR) has between 26 and 28 percent; and the Movement of the Revolutionary Left (MIR) has approximately 11 percent; and the Nationalist Revolutionary Movement of the Left (MNRI), led by President Hernan Siles Zuazo, obtained approximately 7 percent.

In his exclusive statement to EFE, Galindo accused the MNR of committing fraud in small agricultural townships by changing ballot boxes and ballots and by registering nonexistent citizens.

Galindo said the MNR is overtly hampering the electoral process and the vote-count by objecting to every ballot box that favors the ADN, activities which, suspiciously, have the consent of the ruling party, which is proven by the frequent appearance of MNR leaders on the state-run television.

Gen Ganzer's running mate added that even though we do not have evidence, we know that the strike by Electoral Court workers, which interrupted the vote count in La Paz, was instigated by the MNR.

We are not seeking power at any cost. We are not prepared to give up programs or ideological convictions, but we are prepared to talk with any political groups willing to support our party, which has a majority in the Chamber of Deputies even though the MNR might have a slight majority in the Senate, Galinco told EFE.

He added that the ADN will have between 100,000 and 150,000 more votes than the MNR, essentially in urban areas, which originate public opinion trends more than do rural areas. We have won in seven of the nine departmental capitals in Bolivia.

Galindo does not believe there could be an agreement with the MNR, but there could be agreements with some of its members who, overwhelmed by the defeat, could choose to support the ADN.

As to Paz Zamora's MIR, the third largest force and the key element in choosing the president, Galindo said the intelligent thing for this group to do would be to look into the future and not be satisfied with a few immediate privileges. If the MIR supports Paz Estenssoro now, the ADN will be the main political party in the country, but if the ADN takes over now, it will experience a certain amount of wear and tear by 1989, when Paz Estenssoro will no longer be their opponent for physiological reasons (he is now 77 years old) and the MIR will become the main choice for the opposition.

Galindo believes that in Congress, the MIR members will first vote for their own party, then abstain and finally, after issuing a declaration reaffirming their patriotism, they will vote for Banzer, hoping that the ADN will undergo some attrition as a party. [passage indistinct]

MINEWORKERS LEADER SEEKS SUPPORT FOR MNR

PY231814 Madrid EFE in Spanish 0810 GMT 22 Jul 85

[By Amanda Davila]

[Excerpt] La Paz, 22 Jul (EFE) -- Mineworkers leader Filemon Escobar has appealed to the unity of the left in the Chamber of Deputies to prevent the election of General Hugo Banzer Suarez.

Escobar, vice presidential candidate for the Tupaj Katari Revolutionary Movement of Liberation [MRTK-L], has stated that the national left has a historical commitment to the new Congress, which will be installed on 6 August, to decide on the political future of Bolivia. He asked the political leaders to support the Nationalist Revolutionary Movement [MNR] of former President Victor Paz Estenssoro, who will probably receive the second largest number of votes in the 14 July elections, just behind Gen Banzer of the Nationalist Democratic Action [ADN], who obtained a relative majority.

The anti-Banzer forces in Congress should unite for the election of Nationalist Revolutionary Movement candidate Victor Paz Estenssoro, Escobar said.

He added that the mineworkers believe the MNR candidate should be supported in order to prevent Banzer from becoming president because his past administration trampled on political and union freedoms.

In order to elect the president, 79 votes are required out of the 157 senators and deputies. The three parties that obtained a relative majority in the elections do not have the necessary majority in Congress to have their candidates elected. Therefore, they will have to seek an alliance with some other political forces.

MEXICO'S SEPULVEDA TO ATTEND INAUGURATION

PY232152 La Paz Radio Illimani Netowrk in Spanish 1700 GMT 23 Jul 85

[Excerpt] Through a verbal communication, the Mexican Government has informed the Bolivian Foreign Ministry that Foreign Secretary Bernardo Sepulveda will represent the Mexican Government at the inauguration of the new Bolivian Government on 6 August. The Mexican delegation will also be made up of Senator Antonio Riva Palacio and Mexican Ambassador to Bolivia Ricardo Galon.

GOVERNMENT RECOGNIZES PRC AS SOLE GOVERNMENT

PY232356 Paris AFP in Spanish 1256 GMT 23 Jul 85

[Text] An official communique released today in La Paz, states that for the Government of Bolivia, the PRC is the only legal representative government of the Chinese people, which means that Taiwan is an inalienable part of that Republic.

The Foreign Ministry has released a document stating that the establishment of diplomatic relations with the PRC Government is a sovereign decision of Bolivia, which implies the suspension of relations with Taipei. It adds that the Taiwan representatives, who had been in Bolivia, left the country 10 days before the recognition of the PRC Government was made public.

The government decision has caused a strong reaction among the Armed Forces high command which, after the official resolution was announced decorated Taiwan Ambassador to Bolivia Eduardo Wu with three medals, and issued a communique expressing its dissatisfaction over the executive branch decision. For this reason Bolivian Foreign Minister Edgar Camacho Omiste resigned his post on 12 July and was replaced by Interior Minister Gustavo Sanchez.

COB OFFICIALS ATTEND HAVANA DEBT CONFERENCE

PY231503 La Paz Radio Illimani Network in Spanish 1700 GMT 22 Jul 85

[Text] The trade union conference of workers from Latin America and the Caribbean has eneded in the Cuban capital, where the position of the workers of the region on the foreign debt was analyzed. The debt of the dependent countries is a heavy burden both to their governments and to the working class.

On behalf of the Bolivian Labor Federation [COB], the event was attended by union leaders (Alberto Echazu), (Angel Samaya), and (Fausto Reynaga) who agreed with the proposals of the other 270 delegates and their theories on ways to struggle against the banking monopolies, which have made Latin America, Asia, and Africa dependent regions.

It was announced that the next meeting will be held in Peru, where the foreign debt of the Latin American countries will be the focal point of that meeting. The Bolivian leaders will point out to those attending the conference, to be held from 12 to 15 August this year at the initiative of the COB, that the COB has long insisted on a meeting of the labor movements of all the dependent countries that are trying to pay their debts to the Yankee international banks.

PRESIDENT SARNEY PROPOSES NATIONAL ACCORD

PY230205 Brasilia Domestic Service in Portuguese 2330 GMT 22 Jul 85

[National address by President Jose Sarney; place not given -- recorded]

[Text] Fellow countrymen:

The president of a democratic nation must share responsibilities. Brazil has changed, and freedom is expected throughout the nation. People are once again beginning to dream and have faith. I recognize that the effects of the worst period in our history are still being felt; there is a pessimistic outlook and the devastating burden of social injustices. However, tonight I do not intend to waste time complaining. I propose to exorcise neuroses and the frightening indexes of economy and misery because fate has not brought me here from so far away to be the administrator of a catastrophe.

I undertake my job as president of the nation with determination and courage, and will continue to do so. The government will not be guilty of neglect or hesitation. Because of my background and training I meditate, think out, analyze, listen and exercise prudence in my decisions. I admit that I can make mistakes, but, since I am aware of this possibility, I do not stay mistaken for long, because intolerance is not one of my atrributes.

I am Jose Sarney, a simple man, a man of the people, thus, I am not infallible. I am the president of a democratic country, I am the citizen president responsible for the administration that I must strengthen through examples, toil, honesty, dedication, and the duty to do the right thing, to serve Brazil and its great people.

I would like to reiterate once again the commitment of the Democratic Alliance, a holy commitment undertaken in public squares throughout Brazil by Tancredo Neves, the stone, the marble of which our history is built, and to whom I have always been loyal and against whose promises I shall never go. The changes have started, and they will continue. Reforms will be implemented and the task ahead of me is great indeed.

I have inherited the worst political crisis in Brazilian history, I have inherited the world's largest foreign debt, the heavist domestic debt, and the highest inflation rate we have ever had. I have inherited the worst social and moral debt possible, along with the turmoil resulting from just demands and desperation over solutions which are quite impossible.

The poorest half of Brazil's population, which in 1960 owned 4 percent of the nation's wealth, now has less than 3 percent while the wealthiest 10 percent of the population, which in 1960 held 39 percent of the nation's wealth, now holds 51 percent. The poor have become poorer and the rich richer. It would suffice to mention that 45 percent of our rural land is owned by 1 percent of the population. This explains, to some extent, the social turmoil and cauldron we must deal with.

Approximately 13 million people are unemployed in Brazil. The potential deficit of public accounts is 110 trillion cruzeiros. When we took office, the estimated inflation was 400 percent, public administration had been discredited, planning was poor, we had an economic dictatorship, society was being neglected, there was fear and violence, and a lack of individual and collective security. All these factors came together to make legal disorder and a bureaucratic hell.

The all-pervasive presence of the state and the crushed federative framework hampered progress and built up recession by encouraging illegal maneuvers and corruption. The situation is difficult, and many have told me to do nothing but denounce it as a justification for my government's difficulties. There is a crisis, but instead of talking about it it would be better to avoid its consequences because I am sure that our country, Brazil, will prevail, that the government will do the right thing.

Brazilians, I ask you for a little bit more of your time. Let us take a look at the course we must take. First of all, no government can succeed without the trust of the people, for this it must be responsible, tell the truth and win the solidarity of the people. They key to this alliance is the sharing of burdens, and participation. Progress begins inside each of us. We cannot resolve chronic problems through demagogic approaches which are easy to formulate but extremely difficult to implement.

Do not ask or pressure me to do things I cannot do. Do not demand miracles from me or the fulfillment of impossible claims for this destabilizes social order, generates false conflicts, distorts democracy, and frequently smothers it. We must think things out to avoid making the mistakes of the past.

I have consulted my fellow politicians, intellectuals, scientists, economists, workers, businessmen, and experts, seeking a consensus to make the changes, the reforms and the modernization that the country needs. Tonight, I am proposing a great national accord of which the people, our people, will be the great driving force. Our objectives are based on five basic items: freedom, development, social option, cultural identity, and our sovereignty, which must be fully exercised.

The purpose of politics is to serve freedom, and freedom is a legacy from God. It cannot be separated from life. Laws protect the exercise of this freedom, and the president of the Republic will always be the slave of the Constitution and of the law. A democratic state establishes that the freedom of an individual ends where that of another begins. Now that Brazil has shaken off the yoke of arbitrariness, it will not tolerate the yoke of coercion, nor will it be intimidated by factions or groups.

Freedom implies the commitment to strengthen the political power to overcome all institutional failures. We must listen to everyone. We must coexist with all, without discrimination. Tolerance does not mean concordance. The president of the Republic assumes a middle-of-the-road stance, and all his authorities derived from this position, authority to make the greatly desired democratic trnasition a reality. This is the essential objective of my government.

Freedom is not just an institutional desire; it must be able to generate social rights that will not allow death from hunger, disease, the insecurity of the cities, or the lack of jobs. Freedom is life, an alternative for a happy life. The exercise of freedom must be all-embracing. The economic, political, and social freedoms are indissoluble. You all know that where there is no economic freedom, there is only social slavery, and no political freedom. To seek political freedom with no guarantees for a creative and competitive power of the private initiative implies ignorance of the historical reality. To pretend to have economic freedom together with social injustice and misery is the same as admitting a society of privileges that generates violence and only exists in the silence of ideologies.

Development is inextricably tied to sovereignty. Poor nations are vulnerable. They can crumble if they follow decisions adopted abroad.

We cannot fear the strong international competition that will come in the next decades. We must streamline the public sector and guide it toward the priorities of the new Republic. There seems to be a national consensus, as far as the expeditiousness and effectiveness of government action are concerned. We seek to improve the country's political life, including the reestablishment of elections at all levels, the abolishment of intra-party subgroups [sublegenda], the institution of the right of the illiterate to vote, and full independence for party coalition and for the creation of political parties.

We have submitted a proposal for a national constituent assembly, and the progress achieved in the labor sector has been acknowledged, including the legalization of inter-union associations, the reinstatement of banned political leaders, and the proposals under discussion for the establishment of norms ruling the union organization and strike laws. Conflicts between employers and employees are solved without government interference.

All have agreed that the government has done everything possible to solve the accrued social debt. It has approved a minimum salary and managed to maintain the loans from the National Housing Bank 40 percent below the past inflation rate. In the rural area our agrarian reform plan seeks to bring peace to the farmlands.

We will take advantage of the ground we gain to promote economic development without inflation. Now, the country can grow at the rate of 5 or 6 percent, giving employment to the thousands of youths who join the labor supply every year. The government has sworn on its honor to fight inflation. We will make every necessary sacrifice, we will make whatever decisions are necessary to prevent inflation from escaping our control. The experience of other peoples teaches us the extremes to which nations go when their rulers hesitate in the struggle against inflation. Inflation is the worst enemy of society, it punishes the poorest, the ones that have no defense against its terrible effects. Inflation takes away not only the wages, it takes away the bread.

Thus, the government must control prices and implement a fair salary policy without trying to cure all ills in a single stroke. The government is perfectly aware of the need to restore the purchasing power of the salaries and believes that this should be done gradually so as not to make the increases worthless.

We must give priority to the workers that do the most hazardous jobs for they are also the most neglected. At the same time there must be a severe and selective price control to avoid speculation, and to make sure that price increases do not go above the inflation rate as has commonly occurred in the past. The public and private price controls we have implemented have played a significant role in curbing an inflation rate that you can rest assured will be well below that of last year.

The support we have given agriculture, especially for purchasing produce, will allow an annual harvest increase of more than 5 percent. In the field of foreign trade we have increased our trade surplus. A policy based on the devaluation of the exchange rate that stimulated exports, in conjunction with lines of credit and the streamlining of government actions has led to monthly surpluses of more than $1 billion. At this point, few doubt that by the end of the year we will have over $12 billion worth of trade surplus.

It is part of our strategy to give the private sector an active role in the nation's growth. Economic growth will have solid foundations only if we reestablish trust and stimulate private enterprise, which must be the flagship of our economic development.

We must reactivate the domestic market, get rid of financial speculation, start believing once again in production and work instead of in pieces of paper. The businessmen must recover their creativity. The small- and medium-sized enterprises will be given favorable conditions to gain strength. We will make the benefits of the market economy available in the rural areas. We must become increasingly more competitive to reactivate the domestic market without sacrificing our export potential. Less government control over the economy means more government attention to social sectors.

The government has set several mechanisms into motion in order to better control the expenditures of state-owned corporations. In addition to cutting down expenditures, we are establishing responsibilities and punishing wasteful managers. The cost cuts I have ordered for state-owned corporations are more than twice the cuts ordered in the investment sector.

As for revenues, there have been budgetary adjustments through measures that have taxed financial capital rather than productive capital. Thus, we can expect a decline of interest rates because throughout this half of the year the Central Bank will be selling fewer and fewer public bonds.

We are heeding commitments assumed by all productive sectors of the nation: to create the appropriate conditions to reduce the real interest rates that are today smothering national businessmen. The results of these measures allow growth with no inflation. We will promote an authentic institutional change in the economic sector. We must consolidate and simplify laws and decrees (?regulating) the obligation of the businessmen.

We will establish an effective system of planning and controlling public expenditures so that the people will have an effective command over government resources.

In the area of social action we are not going to have cuts. We will double our public resources every year, trying to solve this serious problem. I have said that our priority objective will be the poor: to overcome abject poverty and to defeat misery. To achieve this, we have included a program for nutrition, housing, health, assistance, and education.

Our program for the poor includes the northeastern region where the largest area of misery in Brazil is found. It is appropriate to note that the per capita income of the northeastern worker is one-third that of the average Brazilian income. We will begin to reduce regional differences, taking the northeast as our starting point. The most important instrument seeking change and progress in the social structures as demanded by the nation, is agrarian reform. We need reform that does not only think of the land ownership problem, but also of the condequent aspects, credit and the possibility of purchasing land at reasonable prices.

In the housing sector, we are going to develop new ways of distributing the costs on an equal basis and new financing forms. To take care of the low-income workers, we are going to invest in self-construction programs, barn-raisings, and other nonconventional forms.

In the economic sector we will also try to increase job opportunities. This, increase, in conjuntion with free labor unions, will permit the wage earners to improve their situation through natural social action mechanisms. If it is true that the food shortage will only be solved through the full development of the economy, it is our moral responsibility to prevent our fellow citizens from dying of hunger or disease.

The industrial society generates material values. Spiritual values are destroyed and no other values are created. Little by little the people lose their identity. They remain at the mercy of the cultural colonization, and the country loses its characteristics. Brazil, a country rich in culture with so many facets and influences, one which has been consolidated in the image of its traditions, folklore, literature, and arts, vanishes little by little, swallowed by abandonment and poverty. Spiritual values must be preserved. Cultural wealth must be created and protected. Culture as economy must be planned. Our artists and scholars have never had so many possibilities, and never have these possibilities been despised so much.

We have to launch a cultural renaissance. The president is convinced that the development of a country is not enough if its culture, its theater, literature, its movies, music, and the plastic arts do not grow at the same time. Brazilian popular art cannot disappear due to a lack of state support.

We must not only build schools, but guarantee that children go to these schools. The world of the future will be a world of scientific discoveries, of research, of education. We cannot forget the feelings of the soul, the force of the human spirit in everything we have.

Brazil has to create its own technology, promote its own discoveries, invest in investigations, believe in its own experts, and give them proper working conditions. We must give our support to universities, science, and technology. Only by mastering knowledge, be it universal or Brazilian, will progress be achieved.

Without betraying my origins, I will also try to promote support for literature and the arts, either by means of government programs, or by means of financing cultural productions through private enterprise. A country is made by politicians, historians, and poets: Politicians are meant to deal with current events, historians to think about the past, and the poets to dream of the future.

We must maintain our unity. We must understand and respect the cultural forms, the local and regional forms, the forms of speaking, living, singing, and of leisure. Only in this manner will we preserve our various (?tribes), our many races, and many peoples; and only in this way will we find our true Brazilian identity.

National sovereignty is the unassailable patrimony of the Brazilian people. Our territory is in the hands of the Armed Froces to safeguard our sovereignty as they likewise comply with their constitutional mission of maintaining order and protecting the institutions. The Armed Forces can find in the government the support to reequip themselves and to indispensable training to comply with their task of defending the territorial integrity of our country.

Brazil will honor commitments and agreements it has signed internationally. Brazil will continue to relentlessly defend the rights and the self-determination of the peoples as well as it will continue to oppose solving international conflicts by the use of force. We do not foresake our sovereignty as we negotiate our foreign debt. We negotiate without harming our independence. We are not inspired by any impasse-promoting plan. Brazil's position is very clear: To us, the debt is not an instrument of ideological struggle. It will never be an element in the East-West confrontation.

A great country like ours, the eighth economic power of the world, is aware of its duties, its force, and interests. Brazil will never be submissive to anyone, neither to the great world powers nor to the small conflicts.

We will not hesitate to be firm on behalf of our people's interest. We are confronting a difficult foreign debt negotiation with the banks and the IMF. We cannot allow the dogmatic intransigency of international financial organizations to impose on our country an unnecessary recessive policy. We, statesmen, deal with facts and not with propositions.

In the political field, we will not cease to proclaim as a priority the need for a new international economic order against protectionism from developed countries, which close their doors to our exportations, and unilaterally impose excessive interests on us. We would have to suffocate our economy to pay them, but we will never do that.

Brazilians, brothers, fellow countrymen, if we are worthy of our present, the future generations will be proud of us. I am aware of the fact that I am the president of a great country and of a great people. Let us lift our hands together to say goodbye to pessimism. Now is the time for courage and faith.

DOMINICAN REPUBLIC'S JORGE STOPS IN BRASILIA

PY231610 Paris AFP in Spanish 1551 GMT 23 Jul 85

[Text] Brasilia, 23 Jul (AFP) -- Dominican Republic President Jorge Blanco arrived at noon today in Brasilia. He arrived by air from his country and is making a brief technical stopover that will include having lunch with President Jose Sarney.

This afternoon, Jorge Blanco will travel to Uruguay and Argentina for official visits. He will then travel to Lima, where on 28 July, he will participate in the inauguration ceremonies of Alan Garcia, the new Peruvian president.

Received by Sarney

PY232341 Brasilia Domestic Service in Portuguese 2200 GMT 23 Jul 85

[Text] Democratic consolidation in the continent and the Cartagena Consensus' view of the foreign debt were the main subjects discussed today by Dominican Republic President Salvador Jorge Blanco at the meeting with President Jose Sarney. Blanco expressed satisfaction over the meeting with the Brazilian president and added that Sarney offered technical and financial aid to his country in order to develop energy projects using sugarcane. The Dominican president left today for Uruguay.

MINISTER'S SPEECH ABROAD PRODUCES REACTION

PY232350 Santiago Radio Chilena in Spanish 1700 GMT 23 Jul 85

[Excerpt] The speech read by Finance Minister Hernan Buchi in every country he has visited -- the text of the speech was published by EL MERCURIO -- has produced a reaction of amazement in Chile. The reaction was provoked by the content of the speech and, above all, by the fact that the minister has talked about things of which Chileans are not aware. Ricardo Lagos comments on this situation, which can be regarded as surprising and confusing.

[Begin recording] Some sectors having access to information have learned that the speech that Finance Minister Hernan Buchi read to the bankers during his long tour includes at least three facts of which Chileans are not aware.

In the first place, the minister told the bankers, with whom, after all, we have to discuss our economic affairs, about a 10-year plan. This must have surprised many people, because although they are aware of a 3-year plan that Economy Minister Modesto Collados formulates every year, this is the first time a 10-year plan has ever been mentioned. Second, Minister Buchi said that a 3- to 4-percent economic growth is expected for 1985-87. Here in Chile, the Central Bank predicts that the economy will grow 0 or 1 percent, at best 2 percent in that period. Third, the minister said that, based on reinsurance contracts, Chile received compensation for the loss caused by the earthquake, and that this income can strengthen our meager external account. [end recording]

For Ricardo Lagos, a specialist in economy, it is surprising that such reinsurance contracts have never been reported before, and that the information should be released by a minister while on a trip abroad.

[Begin Lagos recording] Chileans are not aware of the amount of such reinsurance income. The fact of the matter is that the minister is talking to those who, in the final analysis, are the ones who shape our economic policy. [end recording]

FRESNO CONDEMNS VIOLENCE, SEEKS RECONCILIATION

PY221519 Santiago Domestic Service in Spanish 1100 GMT 22 Jul 85

[Text] Cardinal Juan Francisco Fresno has condemned the recent acts of violence and terrorism in the country, and has again issued a call for reconciliation. He also repudiated the attack on the U.S. Consulate, in which one person was killed and four others injured. Meanwhile, the police confirmed that three explosive devices had been placed near the U.S. Consulate last Friday night.

Meets With Party Leaders

PY231518 Santiago Radio Chilena in Spanish 2330 GMT 22 Jul 85

[Text] Santiago Cardinal Archbishop Msgr Juan Francisco Fresno today asked some democratic political representatives to make an effort to achieve national reconciliation with the participation of civilians. Msgr Fresno made these statements during a meeting at a Jesuit home in Calera de Tango. Francisco Bulnes Sanguentes, Pedro Correa, Andres Allamand, Galbriel Valdes, Patricio Elwin, Enrique Silva Cima, Rene Abeliuk, and Carlos Briones were present at the meeting. Fresno asked the presidents of the democratic political parties for their support in attaining a national reconciliation. He also explained to them how civilians could contribute to this reconciliation.

The acting secretary general of the meeting was Jose Zavala de la Fuente who is the current president of the Social Union of Christian Businessmen. Each of the participants in the meeting agreed not to make any statements until Cardinal Fresno first issues a declaration on the meeting. Cardinal Fresno had previously met with the members of the Democratic Alliance Executive Committee which, in addition to congratulating him for his recent appointment as cardinal, also expressed concern about achieving national reconciliation.

FORMER GENERAL SAYS PLEBISCITES MANIPULATED

PY240133 Buenos Aires REUTER in Spanish 0248 GMT 23 Jul 85

[Text] Santiago, 22 Jul (REUTER) -- Former General Gustavo Leigh, who ordered the bombing of the La Moneda Palace during the 1973 military coup, has stated that the two plebiscites conducted during the 13 years of government of President Augusto Pinochet were manipulated by Pinochet's followers. In an interview published today by the opposition weekly CAUCE, Leigh stated that the results of the plebiscite that in 1981 gave overwhelming support to the Constitution proposed by the military government had been fed to the computers well in advance. He added that he was able to directly observe the first plebiscite held in January 1978, which sought popular support for President Pinochet to counter the accusations of human rights violations made by the United Nations. "I knew it was manipulated," Leigh stated. He was dismissed in July 1978 from the military junta and from the post of commander in chief of the Air Force due to profound disagreements with the head of state. "When there are talks about a third plebiscite in 1989, if no security measures are adopted, we are again going to fact the same problem," he stated.

Leigh stated that in 1978 there were men in charge of some voting places that "used to boast about having personally adulterated the votes...that they allowed voters to cast their ballots two or three times." He also expressed the conviction that the second plebiscite was also vitiated. "I do not know, I have no proof, but I was informed that the results were fed to the computers far in advance. Before the end of the plebiscite, the computers already had the results. This is whay I was told by very reliable sources," he said. He attributed the irregularities to governors, intendants, and ministries.

In both plebiscites, Pinochet obtained an overwhelming majority, and in the second one he assured his term of office until 1989. By then, the Constitution provides that the commanders in chief must propose a candidate, which could be President Pinochet himself, for an 8-year term. If the results of the plebiscite do not support the government, then general elections to elect a president must be called in 1990.

STUDENTS MARKING NICARAGUAN ANNIVERSARY DISPERSED

PY200345 Paris AFP in Spanish 2315 GMT 19 Jul 85

[Text] Santiago, 19 Jul (AFP) -- Students who erected barricades in Santiago after participating in a ceremony to mark the sixth anniversary of the Sandinist revolution in Nicaragua today were repressed by the Carabineros with tear gas, witnesses have reported. At least one student was injured during the distrubances in front of the Engineering School of the University of Chile. However, no detentions were reported. At the end of the ceremony held inside the Engineering School to mark the Nicaraguan revolution, nearly 200 demonstrators disrupted traffic and shouted slogans against the government of General Augusto Pinochet. The situation became tense when the Carabineros, who dispersed the demonstrators in Bauchef District in southern Santiago, arrived on the scene. The injured student was hit by a bullet fired by the police and was admitted to a hospital, the witnesses said.

BETANCUR WANTS SUPERPOWERS TO LEAVE REGION ALONE

PA211428 Bogota EL TIEMPO in Spanish 13 Jul 85 p 8 A

[Text] Wars bring funerals and peace brings joy, President Betancur said yesterday in reiterating his position that if the superpowers want to commit suicide, they should do it any place other than Central America or the Caribbean. The head of state made this statement during a ceremony to sign an agreement on promotion of a health campaign with the cooperation of the Spanish Government. President Betancur said that despite difficulties, the Contadora Group continues advancing with mechanisms of persuasion to achieve peace in the Central American region.

The president also noted that the superpowers should look for places other than Central American and the Caribbean to settle their quarrels.

He noted: "Recently I have noticed that some psychologists believe that one undeniable human right is that of committing suicide."

He added: "We deeply respect the fact that some people may want to commit suicide. But at the same time we believe we are not asking for too much when we ask that they do it somewhere else."

The Colombian president said that if the superpowers insist on a war strategy of arms buildup, if they do not accept the mechanisms of persuasion and ideas, then "let them at least remove their arms buildups from our territories."

He stated: "Let them leave us, the Central American and Caribbean people, with the not-too-crazy option of working like bees to improve the standard of living in our communities."

POLICE, ARMY ACT TO CURB M-19 ACTIVITIES

PA221712 Bogota Television Service in Spanish 0100 GMT 22 Jul 85

[Excerpts] Authorities have sent reinforcements to Cali's outskirts, where the 19 April Movement [M-19] has carried out several armed actions in the past few hours. The guerrilla movement is arming and militarily training people in clandestine camps operating on the city's outskirts. Here is a report by Raul Benois, with initial account of the M-19's activities in its political camps:

[Begin recording] [Benois] New skirmishes took place today, when joint police and Army commandos conducted dragnets and raids on Cali's suburban districts in order to capture M-19 members, who continue pursuing their civic-aid program to entice youngsters to join their guerrilla ranks.

On Wednesday, several skirmishes on the streets of the densely populated areas of (Siloe), Aqua Blanca, and Terron Colorado left more than 15 wounded among the police and M-19 members. Our newscast was able to determine that youths between 12-25 years of age, armed with handguns and rifles, are taking part in communal acitivities.

The M-19 set up camps 6 months ago, but abandoned them when the truce was broken. However, it has continued this work clandestinely but not in any fixed location.

[Unidentified (?officer)] We are now trying to put a stop to this situation. The Metropolitan and Military Police have launched an operation and we hope that these Colombians who have been improperly indoctrinated will soon return to their normal lives. [end recording]

PRESIDENT-ELECT GARCIA ASKS FOR SALARY REDUCTION

PY181546 Buenos Aires REUTER in Spanish 0259 GMT 17 Jul 85

[Text] Lima, 16 Jul (REUTER) -- President-elect Alan Garcia, who will be inaugurated on 28 July, has said that he will ask Congress to approve a law reducing his salary by 66-75 percent "to contribute to the country's economic reactivation." The new presidential salary, approved by Congress 2 weeks ago, is 20 million soles a month ($1,670), while current President Fernando Belaunde Terry is making 3 million soles ($250) a month. To reduce the president's salary, Congress would have to approve a new law repealing the law that established the new salary.

Garcia, who talked to the press on 15 July, said that legislators from his party -- the American Revolutionary Popular Alliance, APRA -- support his request. They will also agree to a 50-percent cut in their 10 million-sol monthly salaries ($883).

Garcia has just been named president of his party, which will have a majority in both the Chamber of Deputies and the Senate. The new Congress will be installed on 28 July.

Garcia also asked businessmen to join the austerity campaign and reduce their profits "to share in the sacrifice of the entire nation." He added that in a country where 20 percent of its 6 million workers make barely 300,000 soles a month ($25), and where there are thousands of unemployed and underemployed people, "politicians should set an example of austerity."

Deputy on Salary Cuts

PY192150 Lima Radio del Pacifico in Spanish 1300 GMT 19 Jul 85

[Text] Many elected congressmen of the American Revolutionary Popular Alliance [APRA] have agreed to a reduction of their salaries, but they claim that since politics implies sacrifice, this reduction should also be extended to other sectors, and not only to the legislative branch.

Deputy Jose Barba Caballero, whose view is supported by other congressmen, has proposed that the reduction in salaries be extended to all government branches, including the Armed Forces, the diplomatic corps, and even to the presidential staff.

Barba agrees with the overseeing role of Congress, and that those involved in crimes, whether a civilian, a militaryman, or an APRA member, should go where all criminals are sent -- to prison.

APRA TO IMPLEMENT NEW ANTISUBVERSIVE POLICY

PY202158 Madrid EFE in Spanish 1856 GMT 20 Jul 85

[Excerpt] Lima, 20 Jul (EFE) -- The new social democratic government of the American Revolutionary Popular Alliance (APRA) will develop a new policy to face the phenomenon of subversion that has affected Peru since 1980. This was said by APRA Secretary General Armando Villanueva del Campo, an old party leader and its presidential candidate in the 1980 general elections, which were won by current Peruvian President Fernando Belaunde Terry.

According to Villanueva, who belongs to APRA's left wing, the problem of subversion will receive different treatment from that which the current regime has been giving it. We will begin projects in the Ayacucho emergency zone, one of the most depressed regions of the country, and we will act with strict respect for human rights. These projects will be our main tools, he added.

Villanueva, who will be APRA's secretary general for 18 months and then be succeeded by Luis Negreiros for the same length of time, did not rule out the possibility of decreeing an amnesty for those who have not committed criminal acts while involved in subversive action. He pointed out, however, that the person responsible for the policy is Alan Garcia, president-elect of the country and president of the party, in his capacity of head of state and commander of the Armed Forces.

Regarding this problem, Alan Garcia said yesterday during a press conference held with foreign press correspondents that he will make an appeal to the mistaken and the stubborn. But he ruled out any direct deal with the Shining Path subversive group. Garcia said that there can be no coexistence with subversive violence and asserted that there will be energetic action by the state within the framework of the Constitution and the laws.

Although the APRA is clearly eager to achieve the pacification of the country, Villanueva also condemned terrorist action, labeling it as cowardly and counterrevolutionary.

MINISTER-DESIGNATE ON AMNESTY FOR SUBVERSIVES

PY231639 Lima Radio del Pacifico in Spanish 1300 GMT 23 Jul 85

[Text] Interior Minister-designate Abel Salinas last night flatly denied that a study is being conducted concerning amnesty for the subversives being held in detention, as had been announced by American Revolutionary Popular Alliance Secretary General Armando Villanueva del Campo last week.

Abel Salinas stated that any decision involving changes in the law must be made or approved by the Congress of the nation. Salinas made these statements after attending a coordination meeting at the Labor Ministry.

PERCOVICH ON PROPOSED CUT IN U.S. ANTI-DRUG AID

PY201553 Madrid EFE in Spanish 0336 GMT 20 Jul 85

[Text] Peruvian Prime and Foreign Minister Luis Percovich said today that the United States should take a broader, more realistic approach by offering more substantial support for the eradication of coca plantations in countries like Peru which do not have sufficient means to fight drug trafficking. Percovich made this statement when commenting on news reports from New York which said that the U.S. House of Representatives Subcommittee on Foreign Affairs has decided on a 50-percent cut in U.S. aid to Peru, Bolivia, and Jamaica as long as these countries do not take actions to stop coca leave exports. Percovich said that the Peruvian Government has not received any official report on the matter, but added that it deserved the strongest rejection and condemnation, if it turned out to be true.

Percovich emphasized that if the United States takes this position, the doors will open for increased drug trafficking, because there would be a lack of foreign resources, not only for the eradication of the coca plantations, but also for their replacement with other farming operations. He added that drug-consuming countries have a greater responsibility than producing countries because of the high price paid for cocaine in the former. Percovich reported that, so far, Peru has replaced 4,000 hectares of coca plantations with other crops in the jungle town of Tingo Maria in Huanuco Department, northeast of Lima. He concluded by saying that if the U.S. decision is officially confirmed, Peru will express its concern over the measure.

DE LA MADRID ON ECONOMIC PROBLEMS, SOULUTIONS

PA232013 Mexico City XEW Television Network in Spanish 1300 GMT 23 Jul 85

["Excerpt" of speech by President Miguel de la Madrid at a banking meeting in Guadalajara on 22 July -- recorded]

[Text] The problems that currently concern us are those dealing with controlling inflation; the behavior of the public deficit, which has demonstrated significant deviations from what was originally foreseen; the weakened balance of payments and in particular, the trade balance; the speculative situation of the free foreign exchange market; conditons of instability and disorder on the internatinal oil market and the downward trend of oil prices; and those problems stemming from an unfavorable international economic situation in the trade and financial fields.

In the past few weeks a climate of concern and excessive nervousness has been noted among the main economic sectors. In view of this, the government has been adopting in recent months various measures to correct this situation. They include adjustment of its expenditures and increased operational efficiency of the federal, central, and parastate public administration; defense of the stability of the oil market by preventing erratic price variation; reduction of the excessive liquidity of the financial system through a decrease in the expansion of credit; action against foreign exchange speculation; and various actions to promote our exports and the strengthen tourism.

Nevertheless, the current circumstances force a redoubling of efforts to avoid the control [as heard] of the economy and to redirect it within the path defined by our plans for development. Intense and vigourous measures will soon be adopted to get to the root of the problems. These measures center on the following:

1. Curbing the rise in operating expenses through the reduction of structures of the federal government and the parastate sector, strictly reviewing their actions and combatting undiscipline and waste. In short, we will demand more from ourselves every day.

2. Regarding trade policy, we will change the administrative instuments of protection, accelerating the already defined process of replacing the previous import permits with a modern and efficient tariff system. The system of permits has been causing unjustified situations of privilege that have harmed the consumer. It has allowed inadequate productivity levels in the national economic structure and has discouraged exports. The system of permits has also prevented a greater drop in inflation by promoting oligopolistic schemes, and on some occasions it has been the source of public and private corruption. The only way to overcome our economic crisis is to tackle the structural problems of our economy at their roots in order to make our economy more efficient and productive. We live in a world of acute international competition. Countries that do not increase productivity in their economies will be left behind. We will not permit Mexico to be left behind.

3. With regard to the foreign exchange market, action will be directed toward bringing order to the market, protecting the essential levels of international reserves and inducing a flexible and realistic type of exchange within the framework of the already established system to obtain a renewed promotion of nonpetroleum exports and tourism, thus preventing excessive increases in our payments abroad for imports and debts. We will not play into the hands of the speculators or waste foreign exchange.

4. To strengthen public finances, actions to improve tax collection and prevent tax evasion will be redoubled. We will continue to place special emphasis on the fight against contraband and promote a substantial improvement of the customs system.

5. We will remain open to formulas that strengthen financial intermediation with the least possible cost in obtaining resources and adopting measures that selectively channel credits to the activities that are a priority for national development.

All of these measures that seek to solve grave problems involve great efforts of solidarity from all sectors. For its part, the government will exercise its economic leadership and will intervene in the various areas of national development with efficient and equitable guidelines. This will be done to improve conditions to make feasible the promotion of investments and employment and the strengthening of the external sector of our economy, to defend the international prices of our raw materials, and to encourage a real flow of financing for our development.

I am aware that the measures that we are taking involve radical structural reform and will demand greater efforts from society. There are no other feasible options. I cannot offer indulgences or indecision to the nation. My responsibility is to face and overcome the crisis and to prevent disorder and defects. The government assumes its responsibility and reacts appropriately in the face of challenges presented by particularly adverse circumstances that have worsened the longstanding problems of the country. The government knows that by making these decisions it has the necessary strength to carry out these hard tasks. This strength is the Mexican people and the vigor that has always characterized them in confronting problems in each phase of their history with talent, determination, and courage. With this strength, with the strength of the Mexican people, we will move forward.

FINANCE SECRETARY REJECTS DEBT MORATORIUM

PA230421 Mexico City XHDF Television Network in Spanish 1955 GMT 22 Jul 85

[Text] This morning Finance Secretary Jesus Silva Herzog delivered a speech in Guadalajara and said that the economic adjustment process cannot continue indefinitely. He added that formulas are being sought to balance the country's growth and pay the foreign debt. Silva Herzog delivered the speech at the annual banking convention. Here is a report from Primera Edicion's special correspondent Claudio Guzman:

[Begin recording] Mexico will fulfill its financial obligations abroad. This was reiterated by Finance Secretary Jesus Silva Herzog. His statement was heard by the president of the Republic, who inaugurated the second national banking convention. A group or individual declaration of moratorium by the debtor countries would be an irresponsible decision, the finance secretary said. We cannot afford the luxury of giving up financial aid, assets, and services from abroad. The declarations of a moratorium have been made at great cost.

Secretary Silva Herzog delivered his speech to Mexican banking officials and representatives of the international financial community who attended the inauguration of the annual banking assembly at the Degollado Theater. Throughout his speech, Secretary Silva Herzog referred to the new problems in the economic sector. He said: The high interest on the internal debt will provoke a deficit which will be higher than expected, and we will have to act according to the new circumstances. In addition, the modification of oil prices and international interest rates will reduce Mexico's revenues this year by $700 million, an amount which is still manageable, according to the finance secretary.

However, there are still problems with international reserves. These reserves have diminished due to the decrease in exports, the high interest on foreign loans, and capital drain. In addition, the free foreign currency market is still not under control and the dollar's price is being distorted by speculation and mistrust.

The president of the Republic is currently inaugurating the activities of this second banking convention at the Degollado Theater. [end recording]

GUATEMALAN TROOPS ACCUSED OF BORDER INCURSIONS

PA212125 Mexico City EL DIA in Spanish 15 Jul 85 p 7

[By Fredy Lopez]

[Text] San Cristobal de las Casas, Chiapas State, 14 Jul -- The Christian Committee of Solidarity With the Guatemalan Refugees reported today that the government of Guatemalan President Oscar Humberto Mejia Victores is implementing a genocidal policy through its military forces and has often violated diplomatic treaties signed with the Mexican Government.

Javier Ruiz Velasco, the auxilliary bishop of the San Cristobal de las Casas Diocese, reported that the nation's sovereignty has been violated by Guatemalan Army elements who enter our territory for the express purpose of eliminating 25,000 refugees. Such actions, said the bishop, have resulted in 22 casualties -- 20 Guatemalan peasants and 2 Mexicans.

Ruiz Velasco said the presence of military and paramilitary forces on the Mexican-Guatemalan border could result in clashes between the Armed Forces of the two countries since the Guatemalan Army's provocations are increasing. The bishop recently said that the Christian committee received reports on several incursions by the Guatemalan Army. He said the first took place on 17 June in Ciudad Hidalgo municipality, and 2 days later 40 soldiers and 20 paramilitary bands entered the Rio Azul area, Las Margaritas municipality, between Amparo, Agua Tinta, and Rio Lacantun, and destroyed the Indians' corn land. The bishop said that it was unofficially reported that there are Guatemalan Army troops in the area of Benemerito de las Americas, Ocosingo municipality. He said that this was detected on 29 June and 6 July.

Msgr Ruiz Velasco also estimated that currently there are approximately 25,000 Guatemalan refugees in the State of Chiapas who are settled in 60 camps. He said that recently six Guatemalan families migrated to one of these camps and are being cared for by the Christian Committee of Solidarity.

Finally, Ruiz Velasco cautioned that if the violation of national sovereignty continues to be allowed, the lives of the 25,000 Guatemalan refugees settled in Mexico's southern border area and the lives of the Mexican peasants who live in the area are in danger.

BRIEFS

CULTURAL AGREEMENT WITH USSR -- Rostislav Sergeyev, Soviet ambassador to Mexico, and Luz del Amo, director general of cultural affairs of the Foreign Secretariat, signed an agreement that expands cultural and scientific cooperation between the two countries. Luz del Amo said that this agreement, which in the past had been for a 2-year period, has been expanded to 3 years and seeks to intensify the cultural-scientific exchange between Mexico and the USSR. [Summary] [Mexico City EL UNIVERSAL in Spanish 8 Jun 85 p 14 PA]

BELIZE

EXPORT INCREASE, SMALL TRADE DEFICIT REPORTED

FL221505 Bridgetown CANA in English 1941 GMT 21 Jul 85

[Text] Belmopan, Belize, July 21, CANA -- Belize has reported a 7.2 million dollar (one Belize dollar: 49 cents U.S.) increase in overall exports for the first quarter of 1985, compared with sales during the corresponding period last year. But the Central American state, which is a member of the Caribbean Community (Caricom), maintained a trade deficit -- though a smaller one.

According to the Central Bank, total exports in the first quarter of this year were valued at 53.3 million dollars, compared with 46.1 million for the January-March period last year. However, total imports also climbed -- from 59.4 million dollars for the first quarter of 1984 to 60.8 million in the 1985 first quarter. There has been an almost halving of the visible trade deficit -- from 13.3 million dollars for January-March 1984 to 7.5 million this year.

The bank in its quarterly report said: Strong growth of exports of domestic origin was offset in part by a fall in re-exports, though re-exports at 13.3 million dollars remain well above the recent low of 4.5 million dollars in the first quarter of 1983. It said that the rapid growth of total imports in 1984 appears to have been reversed in the first quarter of 1985. Imports at 60.8 million dollars were 10.3 million dollars below their fourth quarter 1984 level.

The bank said that the country's trade performance benefitted from an improvement of 1.7 per cent in its terms of trade in the first quarter of 1985. However, although Belize's import prices have remained fairly stable, the average unit prices that Belize has received from its major exports have fluctuated considerably in recent quarters, the bank said. It commented that the outlook for Belize's export trade was further complicated by the uncertain prospects for growth of its major export market.

The pace of growth in the U.S. slowed considerably in the first quarter, although some improvement is expected in the second and third quarter of this year, the bank added.

BRIEFS

CANADIAN DONATION -- The Canadian High Commissioner has donated a check for approximately $10,000 to the Ministry of Health. The check was presented to the Belizean deputy health minister. The money will be used to buy urological equipment for the Belize City Hospital. [Summary] [Belize City Domestic Service in English 1300 GMT 19 Jul 85 FL]

COSTA RICA

'GUNRUNNING' DANISH SHIP ALLOWED TO DEPART

PA231222 Madrid EFE in Spanish 2332 GMT 21 Jul 85

[Excerpt] San Jose, 21 Jul (EFE) -- The Danish freighter Bente Folmer has obtained judicial authorization to depart, after 16 days of detention in Puntarenas, on the Pacific coast, for gunrunning.

Before it could leave, a Puntarenas judge demanded that a bond of $7,000 be posted by the local shipping agents of the Sashlp Company of Copenhagen, which owns the ship.

The Bente Folmer sailed out of port for an "unknown destination" under a new captain who arrived from Sweden and whose identity was not disclosed. Meanwhile, Captain Sorth Ole, who commanded the vessel until its arrival in Costa Rica, is still under arrest on gunrunning charges. A Puntarenas attorney has presented a petition for his release, but the court has not yet ruled on the matter.

The Bente Folmer case acquired public notoriety early in the month when, during the routine inspection by local customs officials, several boxes containing 200 9-mm submachine guns made in the FRG were found on deck.

EL SALVADOR

MSGR ROSAS CHAVEZ AIRS CHURCH VIEW ON CONFLICTS

PA231853 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 20 Jul 85

[Report on interview with Msgr Gregorio Rosas Chavez, auxiliary bishop of San Salvador, by unidentified reporter; date and place not given]

[Excerpts] Good afternoon, dear listeners of your powerful station YSKL heard throughout the country. We have interviewed Msgr Gregorio Rosas Chavez, auxiliary bishop of San Salvador, with regard to various national and Central American topics. This time Msgr Rosas Chavez has outlined the Catholic Church's views on the FMLN position, which has demanded in its latest broadcasts that Commanders Yaneth Samour and Maximina Reyes be sent before competent courts and that their rights as war prisoners be respected as a condition to solving the situation of the mayors whom the FMLN is holding captive. Let us listen to the Catholic Church's position through Msgr Rosas Chavez:

[Begin recording] [Rosas Chavez] First of all, a greeting to our friends at YSKL. We not only have a position but have done some work on this. Ever since the problem arose we have been working and have demonstrated to the left that we are interested in finding an adequate solution to this problem. We feel it is unfair to hold the mayors captive and have well-founded hopes that a solution will soon be found for the sake of the people who are enduring the captivity, as well as for their families and the towns they agreed to serve.

[Question] Monsignor, lately it has been noticed that the guerrillas have gained political and military strength through their actions. The Armed Forces have also launched operations in several departments. In addition, the guerrillas have complained and have asked the church to intervene with regard to continuous bombings in Morazan Department. In fact, they reported that a bombing took place on the 17th. In view of these problems, or activities, or situation, do you think the dialogue at La Palma can continue?

[Rosas Chavez] It should not only continue but [word indistinct]. What we are witnessing shows us the logic of violence. It is a logic of destruction, anxiety, suffering, and death. No one of sound mind can accept these methods as a path to peace. Therefore, the church will untiringly continue to work for peace despite any misunderstandings. However, the church will clearly state what it takes for true dialogue. Furthermore, we, the Bishops of El Salvador, are going to publish an important document on this topic soon.

[Question] What is the church's view of President Duarte's tour through Central America?

[Rosas Chavez] We do not know what lies behind this. However, we look favorably on anything that helps promote peaceful solutions. Can man reach understanding through bullets, which only cause destruction? Therefore, the results will demonstrate the purpose of the activities both sides are carrying out. [end recording]

Msgr Rosas Chavez outlined the church's position on Central American problems, that is, those between Honduras, El Salvador, and Costa Rica with Nicaragua and the fact that Guatemala, also a Central American country, does not have problems with Nicaragua like the three other countries. Msgr Rosas Chavez said:

[Begin recording] The Catholic Church is not an expert in strategy or political science. It is an expert in humanity. We met a few weeks ago with bishops from the other Central American countries and expressed our concern over the fact that the war problem may spread throughout the region. We are working to prevent this from happening. War always brings death, destruction, suffering, and anxiety. Therefore, it is our hope that the countries that are most troubled will find a dignified solution in line with the basic needs of the poorest people and the preservation of human dignity. Each country has its own episcopal conference, and the bishops of each nation will have to shed light on this reality. [end recording]

ARMY CLAIMS 40 SUBVERSIVES KILLED IN CLASHES

PA231226 San Salvador LA PRENSA GRAFICA in Spanish 22 Jul 85 pp 2, 27

[Text] Some 40 subversives of the FMLN-FDR died last Saturday in clashes with Army troops near the town of La Laguna. Armed Forces intelligence services detected the presence in that sector of guerrilla columns mobilizing near the hydroelectric plants of Cerron Grande and Chorrera del Guayabo. Armed Forces helicopters and planes flew over the zone, and intensive fighting immediately ensued, with the FMLN-FDR subversives, who were advancing toward the hydroelectric plants, getting the worst of it. General Adolfo Blandon, chairman of the Joint Chiefs of Staff, told national and foreign newsmen that preliminary reports indicate that at least 40 subversives died in the clashes near La Laguna. Troops from various garrisons from Chalatenango, Cuscatlan, Cabanas, and San Salvador are currently participating in actions to control the movement of FMLN-FDR terrorists groups who, after partially abandoning positions in Morazan, San Miguel, Usulutan, La Union, and San Vicente, are seeking to establish themselves in Chalatenango and Cabanas Departments.

ARMY UNITS BEGIN OPERATION TO RECOVER BODIES

PA231228 San Salvador Radio Cadena YSU in Spanish 1800 GMT 22 Jul 85

[Text] This morning Army units started counterinsurgency operations to recover the bodies of six people murdered by guerrillas last Friday on the outskirts of Chinameca. As was reported earlier, the six victims are all relatives of militarymen. Among them is the father of an Armed Forces captain. They were taken out of their homes by the leftists and later murdered.

At the same time, 25 people who went out to recover the remains last Friday are still in the hands of the leftists, and today, Monday, their whereabouts remain unknown.

ARMED FORCES DISMANTLE CLANDESTINE INSTALLATIONS

PA231231 Paris AFP in Spanish 1815 GMT 22 Jul 85

[Text] San Salvador, 22 Jul (AFP) -- Military sources announced today that the Armed Forces have dismantled a clandestine hospital, a tailor shop, and an armory belonging to the guerrillas in the northern Department of Chalatenango. The official report indicates that the action was carried out "in the past 24 hours" by men from the Air Force Paratroopers Battalion in the place known as Las Vueltas, in the northeastern part of the department. At the hospital, the soldiers seized a large quantity of medicine, especially antibiotics, and instruments for minor surgery, while the armory, located in the same area, was used to repair weapons and manufacture ammunition and tools. The sources added that in the tailor shop near Las Vueltas the rebels had sewing machines, completed uniforms, and backpacks, as well as FMLN documents and propaganda material. Meanwhile, according to the military report, in the small village of La Sirena, near San Jose Las Flores, also in Chalatenango Department, 12 members of the masses, peasants who accompany the guerrillas, "were rescued" from the insurgents, and 2 Czech rifles, ammunition, and food were seized.

FMLN SETS CONDITIONS FOR RELEASE OF MAYORS

PA221955 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Jul 85

[Text] The president of the so-called Legislative Assembly has made some statements about the mayors detained by the FMLN. We must clarify some things about which Mr Guevara Lacayo seems to want to confuse public opinion. It is not true that we are proposing the exchange of the detained mayors for commanders imprisoned by the Napoleon Duarte regime. We have stated our proposal clearly. In order to resolve the situation of the mayors, we demand that Companera Commanders Yaneth Samour Hasbun and Maximina Reyes be presented and turned over to the courts. They are currently being held prisoner in clandestine jails; they are being tortured; and their status is that of having "disappeared." We demand that their rights as prisoners of war be respected, just as we have respected the detained mayors, who have been visited by the International Red Cross Committee. We have repeatedly said that we demand not an exchange but the recognition of the prisoners' rights, respect for those rights, and the prisoners' transfer to the courts. In his remarks Guevara Lacayo, in addition to lying in this regard, has tacitly admitted that our companeras are in their jails. He said that the alleged exchange cannot be carried out because they are holding commanders, and we hold only mayors. We repeat: We demand that Companera Commanders Yaneth Samour Hasbun and Maximina Reyes be presented, that their rights as prisoners of war be respected, and that they be turned over to the courts. These are the conditions for resolving the situation of the mayors detained by the FMLN.

GUATEMALA

MEJIA, DUARTE HOLD PRESS CONFERENCE ON MEETING

PA211310 San Salvador Radio Cadena YSU in Spanish 2142 Jul 85

[Press conference with Salvadoran President Napoleon Duarte and President Oscar Mejia Victores in Valle Nuevo, Guatemala, on 19 July]

[Excerpts] Good afternoon, YSU listeners. This is mobile unit No 3 from the (Recinos) Hotel in Valle Nuevo, Guatemala.

For 3 and 1/2 hours, the presidents of Guatemala and El Salvador, General Oscar Humberto Mejia Victores and Jose Napoleon Duarte, met in this small Guatemalan town located some 200 meters from the border between El Salvador and Guatemala. Almost 100 national and foreign newsmen gathered in the town and patiently awaited the conclusion of the presidents' meeting. Both presidents took part in brief press conferences at approximately 1430, and moments later departed to their respective capitals.

At the press conference, both presidents were asked their opinion of the celebration of the Sandinist anniversary, which coincides with their meeting today. Guatemalan President General Mejia Victores said the following:

[Begin recording] It is a date that could be important for many, but for us it is an opportunity for me to meet on an ordinary weekday with President Duarte. (?Many) countries are celebrating anniversaries today, and to us it seems normal for them to celebrate an anniversary that they consider [words indistinct]. We believe that we can come to an agreement in the Central American region, without a confrontation among brothers. [end recording]

Now President Duarte of El Salvador will answer the same question.

[Begin recording] The question contains first a request that we state our position regarding the Sandinists' celebration of their revolution. I feel it is not our responsibility to characterize the Sandinist revolution. That is for them. If the celebration is due to their having carried out an effort to benefit their people, the people of Nicaragua must decide that. The Nicaraguan people must evaluate it. The second point of the question implies a decision from us regarding the Nicaraguan Sandinist regime. In this regard, I think that the General was explicit when he said that we have stated in our document here, a sincere expression of our desire for peace.

We have tried to transfer the feeling of the dialogue, so we, the Central Americans, can find a theory that does not involve violence, that does not involve the use of force, nor terrorism, but instead understanding, tolerance, and harmony. This is why this document contains internal policy definitions. We (?are on the side of) democracy, because we believe that mutual respect among all groups creates [word indistinct] and peace.

In this regard the document demonstrates the efforts of both governments and both (?peoples): companeros for peace and democracy. The path stated in the document constitutes an (?example) of Central American policy. [Words indistinct] change for the foreign ministers of our two countries, so that during their talks they will try to find solutions and mechanisms that will lead to a path of harmony and peace. Therefore, with this meeting we are initiating not an anniversary that has already passed, but a peace initiative. We are making an effort, an initial pact, a system in which our two countries are calling on all Central American states to make an effort, so our representatives can in turn make an effort in the search for peace.

This is why we have signed this document, and this is why we are speaking about this new area that we are opening in the search for peace. Some days ago the general also was speaking about this. He said it is a reality, it exists.

He said that it depends on how the system functions, so we can all coexist. I am not concerned about the thoughts or ideology of a leader or a government. I am concerned about interrelations among the peoples. I am concerned about the respect that these nations may have for other nations and peoples.

If a country has a regime, whatever it may be, and this regime respects the rights of all other nations and does not export revolution, terrorism, or violence, I do not see any problem in the coexistence of different systems or regimes within one region.

[Reporter] Tell us about human rights.

[Duarte] Gladly. The answer is that all nations have the right to protect their citizens. The U.S. Government statement refers to its citizens. In El Salvador we are concerned about all citizens. Not only the Salvadorans, but all nationalities living in our country, and obviously we are concerned over the wave of violence that has been unleashed by the terrorist sectors in the country. This includes the leftists and the extreme rightists, because the extreme rightists have also issued death threats to a considerable number of sectors in the country, and this is unfair. This is the terrorist violence that we cannot allow, just as we cannot accept leftist terrorist violence.

[Reporter] [Question indistinct]

[Mejia Victores] It would be difficult to establish a date; I believe that circumstances favoring such a meeting would have to be given first. This is why the meeting is mentioned here at the highest level.

[Reporter] What are the circumstances that you, as president, [words indistinct]?

[Mejia Victores] [Words indistinct] we are on the path, we are reaching our goals. El Salvador has a democratic government. Guatemala will have one within a short time. I think that we are already on the path. Our needs have led us to ethical paths. We have chosen democratic life, not totalitarian life.

[Reporter] [Question indistinct]

[Mejia Victores] We have not requested support from anyone because we are acting as a sovereign country. We do not get involved in the will and decisions of other countries. We respect their opinions. [end recording]

The Guatemalan president was answering a question by one of the Guatemalan reporters on whether he would support the Honduran Government in an action against Nicaragua.

OFFICIALS EXPLAIN MEJIA STATEMENT ON COEXISTENCE

PA232358 Guatemala City EL GRAFICO in Spanish 23 Jul 85 p 2

[Excerpt] Guatemala City, 22 Jul -- Guatmalan Foreign Minister Fernando Andrade said today that General Oscar Mejia Victores' statement saying that it is possible to coexist with Nicaragua's Sandinist regime has been misinterpreted. Andrade said the idea is to coexist within a consistent policy and that several examples of this have occurred. He added: Suffice it to read the joint communique to note the expressions of solidarity between the Guatemalan and Salvadoran Governments. He also said that topics aimed at maintaining a climate of cordiality and understanding between the two countries were discussed.

Manual de Jesus Giron Tanchez, secretary general for the head of state, also discussed coexistence with Nicaragua. The official said it is not true, as a political party has asserted, that it is impossible to coexist with a country that maintains a different ideology. This type of coexistence occurs all over in the world. He mentioned the case of the United States and Cuba. These two countries have been able to coexist despite their different ideologies.

CARPIO NICOLE PDC VICE PRESIDENTIAL CANDIDATE

PA220417Guatemala City Cadena de Emisoras Unidas in Spanish 2350 GMT 19 Jul 85

[Text] Deputy Ana Catalina Soberales confirmed for this radio station the information we broadcast at noon that Roberto Carpio Nicole has been designated vice presidential candidate and running mate of Vinicio Cerezo. The two will be provlaimed next Sunday during a national convention to be held at Industry Square. She said two members of the Christian Democratic Party [PDC] who have said that they are one with the Guatemalan people will occupy the country's presidential and vice presidential posts. The men will join their efforts for the country to move forward and avoid disagreements because they will work in harmony for a better Guatemala.

The PDC was formally registered as such after it met all of the requirements of the provisional law on political parties. Secretary General Alfonso Cabrera Hidalgo and members of the Board of Directors attended the ceremony.

CAN PRESIDENTIAL CANDIDATE OUTLINES PLATFORM

PA231619 Guatemala City Radio-Television Guatemala in Spanish 0300 GMT 22 Jul 85

[Excerpts] Mario David Garcia, presidential candidate of the Nationalist Authentic Central, CAN, who has been carrying out an eminently civic rather than political campaign, delivered a lecture last night on his government program at the Political Studies Center, CEDEP. Speaking to a full house in the CEDEP auditorium, the young candidate outlined the main points of his platform.

[Begin recording] I am happy to be here at the CEDEP, which has always worked to restore ethical and civic values. We all want a Guatemala where the population will have full access to well-being, development, and all the benefits that stem from that well-being and development. Perhaps, we might disagree with some of those here or those absent regarding the means to achieve that well-being. In short, I can assure you that my platform includes four basic areas. Our activity will first of all be directed at what we understand as security. We will promote the establishment of an efficient judicial system. We respect the separation of powers, but we believe that in at least the past 30 years, the government of the Republic has not used an essential factor: The factor of leadership action. We feel that the security area is vital for the Guatemalans to be be able to produce in peace. We plan to reorganize all the state resources and to have a nonrepressive police force. Instead, we want a police force that can guarantee the life, property, and free activity of all Guatemalans. The three other basic areas that we will give attention to are those of health, education, and communcations. We think that any type of government activity outside these four basic areas is alien to legitimate government action. I insist that our essential objective is to have Guatemalans produce in peace because we believe that this is the only means to improve Guatemala. [end recording]

NATIONALIST UNITED FRONT OBTAINS LEGAL STATUS

PA221518 Guatemala Candena de Emisoras Unidas in Spanish 1130 GMT 20 Jul 85

[Text] The Nationalist United Front, FUN, was formally registered yesterday as a political party after meeting all requirements established by the provisional law on political parties. The secretary general of FUN is Gabriel Giron Ortiz, who has led the party for almost 6 years. The FUN has not yet outlined a definite policy line. However, it has always been identified as a traditional, right-wing, and, of course anticommunist party.

GUERRILLAS ATTACK OILFIELD IN ALTA VERAPAZ

PA240110 Guatemala City Cadena de Emisoras Unidas in Spanish 2345 GMT 23 Jul 85

[Text] A guerrilla group has attacked an oilfield in El Sauce, Chisec, Alta Verapaz, with the purpose of stealing food and medicine. The rebels set five vehicles on fire and destroyed telephone and telegraph lines, the Army Public Relations Office reported this afternoon. Army units went to the site of the incident as soon as they received word of the terrorist attack, and immediately began combing the area, searching for the rebel group. The Army bulletin added that these rebel groups are now attacking sources of employment that promote the country's progress. The amount of damage done by the fire and the destruction of the telephone and telegraph lines has not been disclosed, but it was reported the lines have already been repaired.

CORRECTION TO MEJIA-DUARTE BORDER MEETING

The following correction pertains to the item headlined "Mejia, Salvadoran President Begin Border Meeting," published in the 22 July issue of the Latin America DAILY REPORT, page P 8:

Third paragraph, line three should read: ...is over there." Asked about a possible invasion [eventual invasion], of Nicaragua by... (rewording, supplying variant vernacular)

HONDURAS

COMMENTARY ON NICARAGUA'S 'PSYCHOLOGICAL WEAPON'

PA191502 Tegucigalpa Domestic Service in Spanish 1140 GMT 19 Jul 85

[Station commentary]

[Text] Roving U.S. Ambassador Harry Shlaudeman has recently said that as long as the Nicaraguan Government does not return to the negotiating table to find a solution to Central American problems, the achievement of a lasting and stable peace in the region will be difficult. Many people share Ambassador Shlaudeman's view.

It is unquestionable that the Sandinist government is using the strategy of announcing that the United States will invade their country at any moment as a psychological weapon. This campaign is aimed at distracting the attention of the Nicaraguan people, who are experiencing serious internal problems. The most censurable aspect is that the spokesmen of the Sandinist regime always mention Honduras when they refer to this alleged invasion.

The commanders of the neighboring nation announce at the top of their voices that the United States will use our territory as a springboard to carry out its invasion. A Nicaraguan ambassador has even reached the extreme of making such an announcement in the Honduran capital.

Naturally, all of this shouting is just part of a clever Sandinist strategy. We Hondurans want peace. Our desire for peace has been permanent. This has been shown on every occasion. President Roberto Suazo Cordova has been determined to find formulas that will lead to the achievement of peace in the region. Our government has always presented constructive initiatives in this regard. We must recall that in a letter that President Suazo Cordova sent to his colleagues who are members of the Contadora Group he stated: We have taken the initiative of drawing up a document with the principles and obligations that the Central American countries should adopt in the political sector for the purpose of developing the documents of objectives and norms. We have made proposals for detente in Central America and in general we work with the firm belief that the best contribution to the Central American region is the support for and commitment to internal reconciliation, democratization, and respect for human rights.

We have made proposals for the development of the norms dealing with the inventory of armaments and the inspection [registro] of regular military troops, armed groups, military installations, and foreign advisers. Those are just a few of the Honduran initiatives. We will continue to present them as long as the circumstances demand, all for the sake of Central American peace and stability.

However, these Honduran efforts and have never been taken into account by our neighbors. On the contrary, Honduras is accused of preparing to lend its territory to be used as a springboard by the North Americans.

PINU CANDIDATE CRITICIZES U.S. PRESENCE

PA231604 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 22 Jul 85

[Excerpts] During an Innovation and Unity Party [PINU] rally in Danli, PINU presidential candidate Enrique Aguilar Paz criticized the presence of U.S. military troops in Honduras because in order for the country to make progress, it needs schools, health centers, and jobs; not rifles and cannons, he said. Among other things, Aguilar Paz said:

[Begin recording] I firmly state before the people that the time has come to think about Honduras in order to lead our country to continuous development. In a year of intense activity, I have visited all areas of Honduras, and in each of my appearances in cities, towns, and villages I have met with thousands of my fellow countrymen. These have been meetings of sublime spirituality because we have spoken about our homeland, its traditions, its enormous problems, and the historic responsibility we all have to rescue it. [end recording]

Enrique Aguilar Paz also referred to foreign affairs:

[Begin recording] From this beautiful city of Danli my message will be a message for Honduran peace. I point out the great folly of the big military powers in the world because while there is an alarming and growing crisis of hunger that threatens the lives of millions of people, the arms race is intensified by the big powers with billions of dollars. For every dollar spent in the world on development programs for social welfare, $25 are spent on armaments.

Our dear country is not absent from that crazy warmongering whirlwind that current political leaders of the big military powers are promoting. As a result of the obsession with war, the paradisé that was once our homeland has now been turned into Dante's inferno. Human rights and the rights to security and life are violated almost daily here. The most tragic and abominable fact is that such abuses and violations are being committed by warriors who are not Hondurans. [end recording]

1,500 ANTI-SANDINISTS PLAN MARCH TO U.S.

PA181606 Madrid EFE in Spanish 2219 GMT 17 Jul 85

[Excerpts] Tegucigalpa, 17 Jul (EFE) -- In an unprecedented move in Central America, about 1,500 anti-Sandinists plan to leave Honduras for the United States next Friday. The march, slated to end in Washington in 5 or 7 months, has been carefully planned during the past 3 months by the anti-Sandinist organization "Exodus." Last night, a tent camp was set up in the outskirts of Tegucigalpa to lodge all those registered for the march, which, according to its organizers, has followers from all over the country and Central America.

However, the participants -- Nicaraguans and Hondurans -- do not have passports, departure visas, or special permission to leave the country en masse and on foot. This mobilization entails a number of problems for the country. The Honduran Foreign Secretariat refused them a collective permit and determined that each participant should pay for his own visa, passport, and taxes. In addition, each has to submit his documents, like any other regular traveler.

Boris Leets Castillo, in charge of "Exodus," has said, however: "If we are not permitted to leave Honduras, we will either declare a hunger strike or leave by force because only a massacre will stop us." He said that 19 July was chosen as the date for the departure in order to make it coincide with the sixth anniversary of the Sandinist victory. Leets Castillo hopes that other Central Americans, Mexicans, and Americans will join the march along the way so that by the time they reach Washington they will number more than 20,000.

March Suspended

PA191425 Buenos Aires REUTER in Spanish 0544 GMT 19 Jul 85

[Text] Tegucigalpa, 19 Jul (REUTER) -- Adversaries of the Nicaraguan Sandinist government said last night that they have "suspended" their planned march from Honduras and Washington after U.S. officials said that they would not be allowed entry into the United States without the respective immigration papers.

Approximately 1,500 anti-Sandinist exiles planned to leave today to demand the overthrow of the government of Managua, which is celebrating its sixth anniversary today. They had said that they hoped that up to 20,000 supporters would join them on the way through Guatemala and Mexico. However, Boris Leets, leader of the marchers, told newsmen that there would be a delay while they try to convince the Honduran Government to grant them a collective passport. A similar request was already turned down by the Foreign Secretariat.

NICARAGUA

ORTEGA, MINISTERS ANSWER QUESTIONS FROM DELEGATES

PA221451 Managua Domestic Service in Spanish 0013 GMT 22 Jul 85

["Face the People" program with Commander of the Revolution President Daniel Ortega Saavedra, Vice President Sergio Ramirez Mercado, Acting Foreign Minister Victor Hugo Tinoco, Carlos Carrion Cruz, general coordinator of the 19 July Sandinist Youth; Dionisio Marenco, presidential adviser and national planning secretary; Industry Minister Emilio Baltodano, Education Minister Fernando Cardenal, Manuel Espinoza, minister-director of press and information of the presidency; Pedro Hurtado Vega, deputy general coordinator of the 19 July Sandinist Youth; and the Central American delegates to the 12th World Youth and Students Festival in the USSR; place not given -- live]

[Excerpts] [Almendares] President Commander Daniel Ortega, distinguished members of the Nicaraguan Government. My name is Juan Almendares, and I am a Honduran delegate. We come to tell you that we reject the presence of mercenary armies in our territory. We also want you to tell us the Nicaraguan Government's current position on peace in our countries, particularly with regard to relations of peace with Honduras and Costa Rica. Thank you very much. [applause]

[Ortega] I will answer question by question. We are accompanied here by the companero vice president and several ministers so we can address various topics, including domestic and foreign policies, economic, education, social subjects, and so on. I was talking with Sergio Ramirez, saying that we were interested in holding this meeting in order to hold a Central America "Face the People" for the first time. We have wanted to establish this type of dialogue at the highest Central American levels. We have tried to establish this dialogue with all Central American rulers.

On different occasions we have invited the Central American rulers to meet, hold a dialogue, and discuss the problems affecting the region. However, there is resistance because of fear among many Central American rulers, or at least some Central American rulers, of annoying the United States. They prefer to yield to U.S. pressure that says: Do not meet with the Nicaraguans; do not hold a dialogue with the Nicaraguans; the Nicaraguans must be isolated. With that action, the United States has increasingly involved the Central American governments in a militaristic policy, in a situation of war and confrontation that logically brings more bloodshed for Nicaraguans, Central Americans, and North Americans.

We were precisely reading some international news agency reports from Costa Rica about an accident in which three U.S. officers who train Costa Rican soldiers were injured. A Costa Rican officer, who was the most outstanding one and was going to be in charge of matters dealing with training Costa Rican soldiers, was killed in the accident. What are the U.S. soldiers doing in Central America? What are U.S. soldiers doing in Costa Rica? What are they doing in Honduras and El Salvador?

Logically, they are not teaching reading and writing. They are not involved in civic projects. They are teaching how to kill. That is what U.S. soldiers are doing. They expose themselves to that type of accident, and they expose themselves to the wrath of the Central American peoples. This no longer depends on the Nicaraguans. It depends on each of the Central American peoples. Perhaps now the U.S. Government, in accordance with the note it sent us on 17 July as if recalling with nostalgia the overthrow of the Somoza dictatorship on that date, will say that as a result of Nicaraguan terrorist activity, three U.S. soldiers have been injured in Costa Rica and therefore Nicaragua must be punished. That is how things are. Those are the terms of the U.S. Government's note to Nicaragua.

However, the dialogue with the Central American rulers has not been possible. Here is the report. The report states the following: Three U.S. instructors of the 20 instructors training the Costa Rican Civil Guard were injured in a traffic accident in which a Costa Rican officer was killed. The dead man, 28-year-old Carlos Wood Aguilar, was an experienced policeman who was soon to become an instructor of the next Civil Guard groups in the El Murcielago camp school. El Murcielago was Somoza's farm. It is now used as a military training camp in Costa Rica. The North Americans were identified as Thomas Grace, Dupont Jr, and William Dolaski. National Police Director Oscar Vidal confirmed that they are part of the group of advisers sent by the United States.

The dialogue among the Central American rulers has not been possible. We have been able to establish some bilateral contacts and to speak with some Central American rulers during presidential inaugurations in South America. However, a meeting of all the Central American governments at the highest level to discuss this crisis has not been possible all these years. It has not been possible.

However, we now have the opportunity to speak here with representatives of Central American youth. Independent of their ideological and political views they are here, willing to hold a dialogue and talk. We view this in the framework of peace.

In other words, these gestures strengthen peace and the struggle for peace in Central America.

As Companero Almendares of Honduras said, Honduras does not want war with Nicaragua. We are sure that no Central American people want war with Nicaragua, nor does Nicaragua want war with any Central American people. We simply want respect for the right to do what we are doing; building a democratic regime here in Nicaragua for the first time. We have the greatest sympathy with the Honduran people. We think that the Honduran people have rejected the policy of aggression against Nicaragua. The Honduran people have disagreed with the presence of terrorist mercenaries who have their camps in Honduran territory and launch their attacks against Nicaragua from there.

We have always been willing to reach agreements in a multilateral or bilateral framework with the Honduran Government. Therefore, on this occasion we want to reiterate once again our decision to seek peace and understanding with all Central American governments, because that is the call of the Central American peoples, and we leaders are duty bound to listen to the people. [applause]

[Names indistinct] My name is [name indistinct], and I am a Costa Rican delegate to the student and youth festival. Warm greetings to the Nicaraguan people on behalf of the Costa Rican delegation. What is the status of the efforts for a direct dialogue between Costa Rican President Luis Alberto Monge and President Daniel Ortega Saavedra?

[Tinoco] Nicaragua has been very concerned about the situation of recent months on the border between Costa Rica and Nicaragua. As you know, the essential problem is caused by the (?infiltration) of the counterrevolutionary forces from Costa Rican border territory to stage actions against Nicaraguan territory. In view of this situation [word indistinct] in which sectors of the Costa Rican Civil and Rural Guard were involved, it implied the possibility of a confrontation, not with counterrevolutionary forces that operate from Costa Rican territory, but with Costa Rican elements. Since last year we had been proposing to the Costa Rican Government the holding of a dialogue to try to create a neutral securtiy zone in the border area. Last year with the sponsorship of the French Government, three meetings were held in Paris between Nicaraguan and Costa Rican delegations to try to advance in these talks. However, after three meetings we began to note a systematic loss of interest on the part of the Costa Rican delegation with regard to advancing in those talks. We believe that various types of pressure were exerted. Based on a decision by Costa Rica, the scheduled fourth meeting was not held.

Therefore, these efforts and this proposal by Nicaragua are not recent. They date back to last year. This year, as a result of the worsening of the conflict and the death of two Costa Rican civil guardsmen in a clash in an area in which the counterrevolutionary forces were operating, as the OAS report acknowledges, we proposed the renewal of that dialogue. President Ortega sent a letter to President Monge asking for that dialogue to discuss the problem of the neutrality of the border area. President Monge replied that he would accept such a dialogue with the participation of Contadora and the French Government, which had acted as a host in last year's talks. However, the Costa Rican Government said it would wait for the results of the meeting of the OAS Permanent Council before beginning those talks. Although we would rather hold the talks immediately, we accepted the Costa Rican proposal to hold them after the OAS meeting. As you know, the OAS Permanent Council meeting ended about a week ago. It issued a resolution that asks the Costa Rican and Nicaraguan Governments to begin that bilateral dialogue as soon as possible to try to establish the neutral security zone.

In view of this, we have addressed the Contadora Group -- which, based on Nicaragua's proposal and Costa Rica's acceptance of that proposal, will mediate -- and the Contadora Group is meeting today and tomorrow at the foreign minister level on Contadora Island in Panama. One of the topics on its agenda is the steps to be taken to organize this dialogue between Costa Rica and Nicaragua for the neutrality of the border. We suggested to Contadora specifically that the meeting be held as soon as possible. We suggested that if possible it should be held immediately after the Contadora Group meeting since this would be positive and since, if more time passes, there is a danger of another incident and then perhaps the meeting would not be held. Therefore, at this time we are waiting for the results of the Contadora meeting that may propose a date -- we do not know when -- and we will study the mechanisms and the phases of this meeting. We are very interested in this because we think it is vital for the future of peace in Central America. [applause]

[Cruz] I speak on behalf of the Costa Rican delegates. My name is Felix [name indistinct] Cruz and I am a member of the ruling National Liberation Party. When the Central American youths adopted the commitment to work and unite around the struggle for peace in Central America and maintain an anti-imperialist stance, we think that the best way to fulfill that task, especially we Costa Ricans, is to enforce the neutrality policy so that our territory will not be used by counter-revolutionary forces to attack the Nicaraguan Government. We think the best way to achieve that objective is to demilitarize the border region. We want you to clarify the following: The previous companera already asked a similar question, but we would like more details about the Nicaraguan proposal for the demilitarization of the Costa Rican-Nicaraguan border. We would also like to know what the real position of the Costa Rican Government is. We ask this because we are concerned about what the contras might do in Costa Rican territory once a neutral zone is established. In short, we want to know exactly what the proposal includes.

[Tinoco] To explain thoroughly our interest in creating a security zone on the border with Costa Rica, we must explain the phenomenon of the war on the borders somewhat. In reality, the fact that there are counterrevolutionary forces pressuring on Nicaragua's borders is essentially due to two things. First of all, it is due to the fact that those forces are unable to take up positions deep inside Nicaragua. This is logical and obvious. When someone takes the path of weapons to overthrow a government, either with or without CIA support -- in this case with CIA support -- power is not militarily disputed on the borders. No one has ever won a war by fighting on the borders. The fact that most of the military actions in this war of aggression against Nicaragua take place on both the borders with Honduras and Costa Rica is due to the counterrevolutionary forces' incapacity to enter and seize more important positions further from the border due to the Nicaraguan armed people's strength. There is another reason that is also very important. When one fights a war on the borders, one has a very secure rearguard -- the territory that these forces have in other countries.

There is a circumstance that must be taken into account. Nicaragua is not an island. If Nicaragua were an island, this war would have other characteristics. However, Nicaragua has two long borders. It has a 700-km-long border in the north and a 500-km border in the south that cannot be guarded in military terms. No country in the world can militarily secure its borders if it does not have the political will of the neighboring countries. If the neighboring countries do not have a clear political desire to protect the Nicaraguan borders and the peace on the borders through security, military, and political actions by dissuading those forces, disarming them, expelling them from the country, closing the camps, preventing the use of rural airports to bring in weapons, and preventing lower and middle rank officers of their armed forces from directly providing logistical support to those forces, if neighboring governments do not have the political will to do this or if they simply cannot do it because they do not have the power to carry out that neutralization policy, then there will be border tension.

Those unfortunate incidents a few months ago that resulted in the death of two Costa Rican civil guardsmen are the sole results of that border tension created by the presence of counterrevolutionary forces in Rio San Juan Department. The highest levels of tension took place when the Sandinist People's Army pushed the Democratic Revolutionary Alliance counterrevolutionary forces toward the other side of the border, to Costa Rican territory and dislodged them from the La Penca base, which was the most important base they had on the Nicaraguan side of the banks of the San Juan River that serves as a border.

What do we want to prevent? We want to prevent border tensions and other unfortunate incidents that will jeopardize the lives of Nicaraguans and Costa Ricans. We say Nicaraguan lives because thousands of Nicaraguan lives have been lost in this was of aggression. We also care about the lives of the Costa Rican soldiers, but it is evident that Nicaragua has repeatedly made sacrifices; people have died, been kidnapped, and mutilated in this conflict. Before anyone else, we have the moral right to speak of terrorism because we have been the victims of a repeated policy of terrorism carried out from the northern and southern borders for 4 years. Therefore, Nicaragua's political objective is to establish border security with Costa Rica and therefore to prevent the exacerbation of passions and the outbreak of such conflicts so that the Costa Rican Government will also be sure that the Costa Rican-Nicaraguan border will be respected. We have proposed a security zone mainly along the San Juan River and for it to be under international guard. This international guard should be exercised by Latin American and European countries. Under these conditions, Nicaragua would withdraw its border defense forces to the point established by those international forces. Costa Rica would also have the same commitment so that there would be a neutral zone on both sides of the San Juan River where there would not even be the most minimum regular or irregular military presence. I think this would solve the problem. This also includes another zone that is potentially conflictive. It goes from the mouth of the Frio River on Lake Nicaragua to the hills of the Pacific on the border area with Costa Rica and passing through Villa Colon and other border towns.

We were saying that this would solve the problem for both the Costa Rican Government and the Nicaraguan Government. No one who is interested in peace and seriously believes that a neutrality policy should be practiced and borders should be secure can oppose a policy of border security like that we are specifically proposing. The next step will have to be taken by the Contadora Group, which is now meeting in Panama. It will have to lay the groundwork for this mechanism of border security.

We can say that South American countries such as Brazil, Uruguay, Argentina, and Peru are interested in directly participating with representatives to guarantee the Costa Rican-Nicaraguan border once the mechanism to establish the border security is decided. If this mechanism works, if there is goodwill to make it work, a similar mechanism would have to be established on the northern border, on Nicaragua's border with Honduras. This is a real challenge for peace. This is a specific challenge. This is not talk about the Contadora Group and the peace efforts in abstract terms or in the long term. It is a matter of immediate action. It is a matter of saying: We agree with the establishment of a security zone on the Costa Rican-Nicaraguan border; we agree with asking Latin American and European countries to take charge of the control of that security zone.

President Ortega has formally proposed this. Nicaragua is determined to give all its political and legal support to this action. It is an action that must not be delayed. Those who want to delay it are just making possible situations of even greater tension and conflict and border tension that Nicaraguan does not want to continue. Since Nicaragua does not want border tension, neither does it want political conflicts with either the Costa Rican or Honduran Governments or with the peoples of those countries as has already been stated here.

Border tensions are a constant source of pretexts for forces that are the enemies of Central American peace, for warmongering forces to continue to exacerbate passions in Costa Rica in support of a conflict with Nicaragua. It is a conflict that neither the Nicaraguan Government nor the people want. That is why this is a specific proposal that must have immediate support and backing by those who are truly interested in peace. [applause]

ORTEGA SAYS CONTADORA 'STRONGER THAN EVER'

PA230048 Managua Radio Sandino in Spanish 1930 GMT 23 Jul 85

[Text] Nicaraguan President Daniel Ortega said today that the Contadora Group is stronger than ever following its meeting that concluded yesterday in Panama with a series of recommendations, including a call for the United States to return to talks with Nicaragua in Manzanillo. Commander Ortega made his statements in Managua today during the dedication of a hospital donated by the GDR to Nicaragua. The hospital donated by the GDR is a mobile hospital and arrived last night aboard a flight of [word indistinct] airlines, which also brought back several Nicaraguans who had been wounded in the war and treated in Berlin. Concerning the Contadora Group's resolutions, President Ortega said that they show the group has the goodwill to try to counter the threat of a war in Central America, and that once again, it has been proven to the United States that it is better to have peaceful cooperation than irrational confrontation.

[Begin recording] The United States has done everything possible and impossible to try to destroy Latin American unity, which, through the Contadora Group, is opposed to a military solution in Central America and is demanding a peaceful solution to the problems in the area. Both the U.S. Government and its spokespersons here in Nicaragua have tried to give the impression that the Contadora Group is dying, and yet it has concluded another meeting in Panama. What are the points that the Contadora Group raised during this last meeting? It brought up the need for continuing to discuss the peace act, particularly certain points in this act. It also discussed not increasing military tensions in the area, not financing the rebel groups, and setting forth efforts for putting an end to the military escalation in the Central American region.

Another point raised by the Contadora Group was the importance of the United States and Nicaragua resuming talks in Manzanillo in order to reach a political agreement. The Contadora Group also brought up the point of recognizing the Latin American countries' efforts to strengthen the Contadora Group's peace efforts. In addition, the Group discussed the possibility of forming Latin American organizations to support the Contadora Group's peace efforts. Likewise, the Contadora Group pointed out the importance of the Costa Rican-Nicaraguan dialogue for reaching a stable solution to the problems in the border areas. All this shows that the Contadora Group is an organization that is now stronger than ever before, that it is strengthening with the active support of Latin America. Those who thought the Contadora Group was dead have to cast this thought aside because the Contadora Group is very active. The Contadora Group is even stronger now, and is reflecting the feelings of Latin American unity. This is good news for the Nicaraguan people today. [end recording]

ORTEGA SAYS U.S. MUST RESPECT INTERNATIONAL LAW

PA240033 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 22 Jul 85

[Text] In view of the multiple threats of aggression received from the Reagan administration, the revolutionary government has reported the situation to the governments that make up the Contadora Group and to the various international organizations. This was announced by President Daniel Ortega at a press conference.

In response to a question regarding President Reagan's recent note to the revolutionary government, he said:

[Begin recording] The least that can be done is to demand that the United States respect law and order -- the same order that the United States claims to respect and defend. The United States says that it is fighting against terrorism; however, whomever fights against terrorism must first of all set an example, in order to have the right to preach against terrorism. In order to preach against terrorism, it is necessary to stop being a terrorist.

Therefore, the international organizations, the international public opinion, and the whole world should demand that the United States respect the international juridical order. If the United States wants to file any charges against Nicaragua, it should do so through the established international legal channels, instead of acting as judge and party in dealing with the conflicts, not only in Nicaragua, but in other parts of the world as well. [end recording]

REPLY SENT TO SALVADORAN GOVERNMENT PROTEST NOTE

PA232034 San Salvador Radio Cadena YSU in Spanish 1800 GMT 23 Jul 85

[Reply by the Nicaraguan Government to a Salvadoran Foreign Ministry protest note dated 15 July; read by unidentified Nicaraguan Embassy official in El Salvador -- live]

[Text] Salvadoran Foreign Minister, San Salvador, El Salvador

Mr Foreign Minister:

I hereby acknowledge receipt of your note dated 15 July, addressed to our foreign minister, in protest of some statements made by Nicaraguan President Commander Daniel Ortega, which were based on the simple confirmation of the truth regarding illegal Salvadoran Government activities that are detrimental to Nicaragua.

The unusual rhetoric and wording of your note makes us think it was drafted outside the walls of the Salvadoran Foreign Ministry. We do not know whether this is a new style of diplomacy, which the special kind of directed democracy practiced in that brother country, wishes to introduce.

For reasons of dignity and basic manners, my government considers it inappropriate to respond to the sum of inventions that this particular protest note from the foreign minister represents. However, this does not mean that Nicaraguan in any way accepts the gratuitous accusations made by Your Excellency. These accusations are very similar to those constantly repeated by the U.S. Government in their attempt to justify their policy of aggression and terror against Nicaragua. Nonetheless, it may be necessary to refer to the invitation made for Nicaragua to accept the kindness of the democratic system that prevails today in the sister nation of El Salvador.

For your information, I must remind Your Excellency that a similar system was imposed on Nicaragua during the Somoza dynasty. This was also tragically complemented with jails and missing people, indiscriminate repression, and mass assassinations. It was also complemented with the free elections supervised by the U.S. Marine Corps between 1928 and 1933, and our people got to know the excellence of the system that Your Excellency so strongly promotes. For these simple reasons the Nicaraguan people banned, forever, that type of a democracy and today work hard to build their own democratic system that will represent the desires for freedom and development of the Nicaraguan people.

In strongly rejecting the accusations in your note, I invite Your Excellency to accept, without shame, the kindness of the diplomatic courtesy that we understand can be compatible with the pluralist and participative democracy extolled by you.

[Signed] Victor Hugo Tinoco, Nicaraguan acting foreign minister

SERGIO RAMIREZ TO ATTEND ALAN GARCIA INAUGURAL

PA240332 Managua Radio Sandino Network in Spanish 0000 GMT 24 Jul 85

[Text] Nicaraguan Vice President Sergio Ramirez Mercado will attend the presidential inauguration of Peru's Alan Garcia on 28 July. After the inauguration, more than 10 Latin American and European heads of state will meet to review the foreign debt problem.

TINOCO CALLS HONDURAS 'HUGE AIRCRAFT CARRIER'

PA231444 Managua Domestic Service in Spanish 0300 GMT 23 Jul 85

[Text] The Central American governments' obedience to the U.S. war policy hinders the efforts for peace in Central America, Nicaraguan Acting Foreign Minister Victor Hugo Tinoco said today. He charged that Honduras has become a huge aircraft carrier in the role that the United States has given it. Its territory is also used by the counterrevolutionary forces. Despite this, he added, Nicaragua carries out peace efforts to achieve an understanding.

DELEGATIONS, GREETINGS ON REVOLUTION ANNIVERSARY

Soviet Party, Government

PM191413 Moscow PRAVDA in Russian 19 Jul 85 First Edition p 1

[Text] To the Sandinist National Liberation Front (FSLN) National leadership; to Comrade Daniel Ortega Saavedra, president of Nicaragua:

We send you and the friendly Nicaraguan people cordial congratulations and best wishes on the sixth anniversary of the Sandinist revolution's victory. Under FSLN leadership, the Nicaraguan people have overthrown a hated dictatorial regime, gained freedom, and taken the path of independent development. Despite continuing pressure and increasing interference from the United States, Nicaragua is making great efforts to resolve its economic tasks, carry out democratic transformations, and consistently pursue a peace-loving foreign policy course aimed at resolving all disputes by means of talks, achieving a just political settlement in Central America, and developing equitable cooperation with all states.

The friendly relations between the USSR and Nicaragua, based on the principles of equality, noninterference in internal affairs, and mutual respect, are developing successfully. Soviet people condemn the policy of aggression and state terrorism pursued against sovereign Nicaragua and firmly support the Nicaraguan people's selfless struggle in defense of their motherland's independence and the revolution's gains. Nicaragua is supported in that struggle by all who value the cause of peace and the peoples' freedom. We wish you success in resolving the responsible tasks facing your country and in realizing the Nicaraguan people's profound desire for peace and progress.

[Signed] The CPSU Central Committee, the USSR Supreme Soviet Presidium, and the USSR Council of Ministers

GDR's Honecker

AU221120 East Berlin NEUES DEUTSCHLAND in German 19 Jul 85 p 1

[Text] East Berlin (ND) -- Erich Honecker, general secretary of the Socialist Unity Party of Germany [SED] Central Committee and chairman of the GDR State Council, sent the following greetings telegram to Daniel Ortega Saavedra, member of the National Directorate of the Sandinist National Liberation Front [FSLN] and president of the Republic of Nicaragua:

Esteemed Comrade Daniel Ortega:

On behalf of the SED Central Committee, the State Council, and the people of the GDR, I convey most cordial greetings and congratulations on the sixth anniversary of the victory of the Sandinist people's revolution to you, the National Directorate of the FSLN, and the heroic Nicaraguan people. Since the memorable event of 19 July 1979, extensive improvements in the life of the Nicaraguan people have been achieved within a historically short span, thanks to the wise and prudent policy of the FSLN.

We respectfully observe the determined and devoted struggle being carried on by the FSLN in alliance with all patriotic forces in order to defend the freedom and independence of Nicaragua, and aiming at safeguarding the social order chosen by the Nicaraguan people themselves. The GDR will continue to stand beside Nicaragua. It emphatically advocates a peaceful solution to the conflicts in Central America and supports the initiatives that serve this concern.

Your latest visit to the GDR gave new stimuli to the relations between our two states and further consolidated the friendship and trusting cooperation between our peoples, as well as between the SED and the FSLN. Rest assured that the vivid solidarity with Nicaragua is and will remain near to the heart of every GDR citizen.

I wish you, esteemed Comrade Daniel Ortega, new successes in the struggle for the defense and consolidation of the Sandinist people's revolution, as well as good health and creative energy.

Bulgaria's Zhivkov

AU221252 Sofia RABOTNICHESKO DELO in Bulgarian 19 Jul 85 p 1

[Text] Todor Zhivkov, chairman of the State Council of the People's Republic of Bulgaria, has sent the following telegram to Daniel Ortega, president of the Republic of Nicaragua:

Esteemed Comrade Daniel Ortega:

On behalf of the State Council of the People's Republic of Bulgaria, on behalf of the Bulgarian people, and on my behalf, I convey to you the most sincere congratulations and I extend these congratulations to the entire people of Nicaragua, on the occasion of the national holiday of the Republic of Nicaragua -- the sixth anniversary of the victory of the Sandinist people's revolution.

During the 6 years that have elapsed, under extremely difficult conditions of constant aggressive actions, of political, economic, and military blackmail on the part of imperialism, the Nicaraguan people, under the leadership of the Sandinist National Liberation Front, have firmly defended the achievements of the revolution and their irrevocable right of independently determining their own development.

The unshakable will of Nicaragua to protect and implement the ideals of the Sandinist revolution have won the sympathy and support of all progressive and democratic forces throughout the world. The People's Republic of Bulgaria and all Bulgarian people once more reaffirm their solidarity with the heroic efforts of the people of Nicaragua in defending the sovereignty and independence of their country and in building a new, free, and democratic society. I am convinced that the joint aspirations for the further consolidation and intensification of friendship and cooperation between our two countries will produce even greater results for the benefit of both the Bulgarian and Nicaraguan peoples, for the cause of peace, international understanding, and social progress throughout the world.

Poland's Jaruzelski, Jablonski

LD200615 Warsaw Domestic Service in Polish 0400 GMT 19 Jul 85

[Text] On the occasion of the sixth anniversary of the victory of the revolution in Nicaragua, Wojciech Jaruzelski and Henryk Jablonski have sent a message of congratulations to President of the Republic Daniel Ortega Saavedra.

Yugoslavia's Vlajkovic

AU231934 Belgrade BORBA in Serbo-Croatian 19 Jul 85 p 6

[Text] Belgrade -- On the occasion of Nicaragua's national day, Radovan Vlajkovic, president of the SFRY Presidency, has sent a telegram on behalf of the SFRY Presidency to Nicaraguan President Daniel Ortega with cordial congratulations and best wishes for the prosperity of the friendly people of that nonaligned country. SFRY Assembly President Ilijaz Kurtesi has also sent a telegram with congratulations to Carlos Nunez, president of the state council of Nicaragua.

LCY Central Committee

LD191043 Belgrade TANJUG in English 1017 GMT 19 Jul 85

[Text] Belgrade, July 19 (TANJUG) -- Nobody has the right to undermine the national sovereignty, territorial integrity, independence, and the autonomous, autochtonous, and free development of Nicaragua, the President of the League of Communists of Yugoslavia (LCY) Central Committee states in its telegram to the National Directorate of the Sandinist National Liberation Front (FSLN), sent on the occasion of the sixth anniversary of the victory of the Sandinists revolution. The telegram points out that the LCY opposes all forms of aggression against or interventions in Nicaragua, and that it fully supports the sovereign right of this country to independently decide upon its own social system and development.

LCY pays tribute to FSLN which, in spite of numerous difficulties, has been carrying out the demands of the Nicaraguan people. The Sandinist revolution would have achieved even greater success were it not for the permanent activity of counter revolutionary forces and attacks on Nicaragua's security, independence, and territorial integrity from abroad, the telegram says. Denying the right to the Nicaraguan people to decide on its own destiny is a breach of the basic principles of international relations and the U.N. Charter, the LCY Central Committee Presidency states in its telegram, adding that all this is even more so since pressures on Nicaragua are mounting in spite of protests by the whole progressive and democratic public, and the fact that the Contadora Group has worked out realistic and acceptable proposals for resolving the crisis in Central America.

Vietnamese Leadership

OW181957 Hanoi VNA in English 1548 GMT 18 Jul 85

[Text] Hanoi VNA July 18 -- Vietnamese leaders today extended their warmest greetings to President Daniel Ortega Saavedra on the sixth liberation day of Nicaragua (July 19). The message, jointly addressed by President of the State Council Truong Chinh and chairman of the Council of Ministers Pham Van Dong, recalls the all around achievements of the Nicaraguan people over the past six years under the leadership of the Sandinist National Liberation Front and the Nicaraguan Government headed by President Daniel Ortega Saavedra in national construction and defence. It expresses the confidence that the Nicaraguan people, under the clearsighted leadership of the Sandinist National Liberation Front and enjoying sympathy and support from the world progressive people, will overcome all difficulties and trials to defeat all schemes and acts of hostility of the U.S. imperialists, firmly defend their homeland and take their revolutionary cause forward. The message says: "On this occasion, we reaffirm our militaries solidarity with and full support for the fraternal Nicaraguan people in their national construction and defence". "May the militant solidarity and friendship between the two peoples of Vietnam and Nicaragua further consolidate and develop". Also on this occasion, Chairman of the National Assembly Nguyen Huu Tho and Foreign Minister Nguyen Co Thach have sent messages of greetings to their Nicaraguan counterparts, Carlos Nunez and Miguel D'Escoto.

DPRK's Kim Il-song

SK180907 Pyongyang KCNA in English 0815 GMT 18 Jul 85

[Text] Pyongyang July 18 (KCNA) -- Comrade Kim Il-song, president of the Democratic People's Republic of Korea, sent a message of greetings Thursday to Daniel Ortega Saavedra, president of the Republic of Nicaragua. The message says:

I, on behalf of the Government of the Democratic People's Republic of Korea, the Korean people and myself, extend warm congratulations to you, and through you, to the government and people of the Republic of Nicaragua on the 6th anniversary of the victory of the Nicaraguan revolution.

Since the triumph of the revolution, the Nicaraguan people, firmly rallied behind the Sandinist National Liberation Front and your government, have waged a vigorous struggle to repulse the continued heinous subversive activities and sabotage of the enemy within and without, defend the motherland and the gains of revolution and achieve the country's independent development.

The Government of the Democratic People's Republic of Korea and the Korean people strongly oppose the U.S. imperialists' armed intervention and economic blockade against Nicaragua ever intensified nowadays and express full support and firm solidarity for the Nicaraguan Government and people in their valiant struggle to defend the sovereignty of the country and peace in Central America.

I believe that the Nicaraguan people under your energetic guidance will courageously break through all difficulties in their way of advance and win final victory in their struggle to build a new Nicaragua free from exploitation and oppression.

The militant relations of friendship, unity and cooperation between the peoples of Korea and Nicaragua will further develop in depth through their common struggle against imperialism and for independence.

Panama's Noriega

PA230046 Managua Radio Sandino in Spanish 1750 GMT 23 Jul 85

[Text] General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, on the sixth anniversary of the Sandinist people's revolution sent the following

Commander Ortega, today is a day that lends itself to mediation, to remembering the friendships and support that made the triumph of 1979 a reality. Carazo with Costa Rica, Andres Perez with Venezuela, and Torrijos with Panama. [sentence as heard] The violent drama recognized by the entire world must be rapidly neutralized so that political decisions can be made and the Central American family reconciled. All for the fatherland!

[Signed] Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces

Guyana's Burnham

FL201812 Bridgetown CANA in English 1744 GMT 20 Jul 85

[Text] Goergetown, Guyana, July 20, CANA -- President Forbes Burnham has expressed support for Nicaragua and the Contadora Group's efforts to resolve political unrest in Central America.

Nicaragua yesterday marked the sixth anniversary of the revolution that ousted the regime of strongman Anastasio Somoza. A message from President Burnham to Nicaraguan President Daniel Ortega said (text):

On behalf of the government and people of the Co-operative Republic of Guyana and on my own behalf I am pleased to extend warmest congratulations and fraternal greetings to you, the government and people of Nicaragua, on the proud occasion of the sixth anniversary of the Nicaraguan revolution.

The close relations which exist between Nicaragua and Guyana are testimony of our mutual commitment ot the pursuit of world peace through adherence to the principles of international law, and to our belief in the necessity and value of South-South co-operation. We are persuaded that this commitment will inspire both our governments to explore diverse areas of bilateral co-operation for the mutual benefit of our peoples. We wish also at this time to reiterate our full support for the attempts of the Contadora Group to resolve the Central American crisis.

Please accept, Excellency, the assurances of my highest consideration and best wishes for the further success of the valiant Nicaraguan people as they seek to consolidate the gains of the revolution.

Spanish Representative

PA231834 Managua Radio Sandino in Spanish 1300 GMT 21 Jul 85

[Text] The threatening U.S. note to Nicaragua over the recent events in El Salvador, where six Americans were killed, distorts the Central American political situation. This statement was made by Jorge Cremades, Spanish Socialist Worker's Party [PSOE] deputy, and representative to the European Parliament, who is visiting our country as a guest to the sixth anniversary celebration. Cremades said that it is not wise to blame Nicaragua for events in other Central American countries, alluding to the Yankee note.

[Begin recording] It is not wise, in any case, to blame a priori the Nicaraguan Government or any other government for events that could take place in any Central American country, but specifically in El Salvador. It is not right at all, to blame anyone beforehand without any concrete facts. This note distorts; it does not in any way favor peace, rather it introduces an element of injustice.

The PSOE believes that in Nicaragua and all of Central America we must make a common effort for peace through dialogue and unconditional support of the Contadora Group among all countries truly willing to play an important role in achieving democracy in each and every Central American country, and each and every Ibero-American country.

We feel that we must involve more of the countries of Europe as well as Ibero-America in this peace and dialogue project. Each country must also increase its efforts to achieve greater liberty, peace, human rights, and security. We reject the distortion created by the note in question. [end recording]

ARDE REPORTS EDEN PASTORA, HELICOPTER MISSING

PA241226 Panama City ACAN in Spanish 0619 GMT 24 Jul 85

[Text] San Jose, 24 Jul (ACAN-EFE) -- Guerrilla commander Eden Pastora, one of the main enemies of the Sandinist regime, has been reported missing tonight, sources of his organization announced. "Commander Pastora has disappeared in his helicopter," Jose Davila, top political official of Pastora's Democratic Revolutionary Alliance (ARDE), told ACAN-EFE. "He was visiting bases deep inside Nicaragua, and at noon he was leaving Nueva Guinea to return to one of the rearguard bases in Sarapiqui, north of the San Juan River," Davila added. Davila said that Pastora, Commander Cero, did not arrive in Sarapiqui at the scheduled time of approximately 1630 (2230 GMT).

"None of the bases have reported his arrival," Jose Davila said at about midnight. The ARDE leader added that "since yesterday there have been attacks by the Sandinist People's Army (EPS) in Sarapiqui." That sector is located in southeastern Nicaragua near the San Juan River, which marks the border with Costa Rica. Jose Davila said there had been no contact with the helicopter in which Commander Cero was traveling. Nevertheless, he added: "People in the area have expressed fear that the helicopter could have suffered a breakdown or that it could have been downed by the EPS. We do not know for sure. The only confirmed news is that he and the pilot were aboard that helicopter," Davila added.

The ARDE political leader reported that the helicopter in which Pastora was traveling is a Hughes four-seater. Eden Pastora had entered Nicaragua 3 weeks ago to give new instructions to his troops regarding guerrilla warfare in view of the rebel group's great shortages of ammunition and supplies. More than a month ago ARDE experienced a heavy offensive by the EPS, which was able to dislodge the rebels from strategic bases such as La Penca.

Pastora, the leader of the rebel group comprised of 4,000 or 5,000 men, became famous in 1978 due to his leadership in the seizure of the Nicaraguan National Palace by a Sandinist guerrilla group. Before taking up arms against his former comrades, Pastora was deputy defense minister of the Sandinist government that seized power after the 1979 revolutionary triumph.

AREA JOURNALISTS FOREIGN DEBT SEMINAR BEGINS

FL221750 Havana Television Service in Spanish 1700 GMT 22 Jul 85

[Text] A seminar on the Latin American and Caribbean countries' foreign debt, in which Latin American journalists are participating, has begun at the Jose Marti International Journalist Institute. Over 14 representatives of the continent's countries are participating in the meeting.

ENVOY TO UN ANNOUNCES 30 JULY DEBT CONFERENCE

PA231430 Havana International Service in Spanish 1800 GMT 22 Jul 85

[Text] Oscar Oramas, Cuban ambassador to the United Nations, today said his country supports formation of a Latin America common front not only to discuss the serious problem of the foreign debt but also to tackle the reorganization of the anachronistic and unjust international economic order. We believe that there is no other alternative but to unite all our efforts, intelligence, and energies to confront this problem, Oramas added. The Cuban ambassador to the United Nations referred to the critical economic situation of the area when announcing the upcoming high-level conference, to be held in Havana, during which the problem of the foreign debt of the Latin American countries will be examined.

Brazilian President To Be Absent

PA231446 Havana International Service in Spanish 1600 GMT 20 Jul 85

[Text] Cuba and President Fidel Castro play a vanguard role in the solution of the Latin American foreign debt problem. This was stated in Buenos Aires by Simon Lazara, leader of the Authentic Socialist Party of Argentina. In a statement to PRELA, Lazara said that the call for a continental conference on the topic in Havana on 30 July represents the strong and sincere reply that the Latin American people must give to their creditors. The Argentine socialist leader, who will attend the event on behalf of his party, said that the meeting will allow a deeper analysis of the problem and the search for realistic solutions because, he stressed, the foreign debt cannot be paid. Lazara stressed that the debt problem is not a joint issue, but part of the unequal economic relations due to imperialist domination.

Meanwhile, Fernando Cesar Mesquita, Brazilian secretary for press and information, asserted that President Jose Sarney's absence from the foreign debt dialogue, which has been convoked by Cuban President Fidel Castro, will not affect the process to normalize relations between two countries. The Brazilian president sent a letter in response to Fidel Castro's invitation thanking him for the gesture and saying that previous commitments prevent his attendance at the Havana conference. Sarney said that Brazil will follow whatever is decided by the rest of the nations comprising the Cartagena Group concerning the renegotiation of the debt.

PEACE MOVEMENT COMMEMORATES SANDINIST ANNIVERSARY

FL191820 Havana Domestic Service in Spanish 1600 GMT 19 Jul 85

[Text] The sixth anniversary of the triumph of the Sandinist revolution was commemorated at the headquarters of the Cuban Movement for the Peace and Sovereignty of the Peoples [MPSP] here in the capital. Jesus Reyes, member of the MPSP Secretariat, read a document denouncing the aggressions of U.S. imperialism against the Nicaraguan people and the trade embargo decreed by the Reagan administration in an effort to suffocate the economy of Sandino's homeland.

PEDRO MIRET VISITS NICARAGUAN FOREIGN MINISTER

PA231424 Havana International Service in Spanish 1600 GMT 20 Jul 85

[Text] Pedro Miret, Politburo member of the Communist Party of Cuba, visited Nicaraguan Foreign Minister Father Miguel D'Escoto who began a spritual fast in favor of peace and against aggression in Nicaragua 14 days ago. Miret gave the Nicaraguan foreign minister a letter from Cuban Foreign Minister Isidoro Malmierca.

Meanwhile, other sources report that outstanding Mexican intellectuals have asserted their support for the fast begun on 7 July by the Nicaraguan foreign minister and priest to protest the aggressive U.S. policy against Nicaragua.

OAS VOTE ON NICARAGUA 'DEFEAT' FOR U.S.

PA231451 Havana International Service in Spanish 2310 GMT 18 Jul 85

["Our America" commentary]

[Text] Recently, the United States experienced a resounding diplomatic defeat when the OAS refused to condemn Nicaragua as had been requested by the Costa Rican Government. Now, the hysteria of the most reactionary government sectors has been unleashed. The United States was the party most interested in Costa Rica's success in obtaining a condemnation of Nicaragua. The reason was obvious: so that it could continue the warmongering campaign against the Nicaraguan Government and tighten the noose around that country, which is trying to build a more just society.

When evaluating the OAS decision, Costa Rican President Luis Alberto Monge admitted that his government is indeed disappointed with the OAS resolution. In fact, at the meeting of the OAS Permanent Council, the Costa Rican demand did not have majority support. On the contrary, the proposed resolution against the Sandinist revolution was rejected, and in the end a considerable number of representatives expressed their support for the Nicaraguan position.

The San Jose government insisted, with U.S. support, that the Sandinist People's Army was responsible for the border incident being discussed at the forum, while Nicaragua said that the incident had somehow been promoted by the CIA and the counterrevolutionary forces to worsen the tension on the border between the two countries.

The OAS resolution won firm support in Costa Rican political circles, even in some sectors of the ruling National Liberation Party. Jose Figueres, who was president of Costa Rica on three occasions, did not comment on his country's defeat at the OAS. However, his actions have been directed toward requesting talks and support for the Contadora Group's peace efforts. Furthermore, for Figueres, the U.S. pragmatic policies in the area are already showing danger signs.

The ultrarightist former Foreign Minister Fernando Volio proposed that Costa Rica refrain from attending a meeting in Panama with Nicaraguan head of state Daniel Ortega in retaliation for the diplomatic setback at the OAS. That statement reinforces the concern of many Costa Ricans who, greatly alarmed, are closely watching the pressure being exercised by some groups to significantly worsen the relations with Nicaragua, the increased U.S. military assistance to Costa Rica, and the increasingly belligerent terminology that can be observed in that country. There are gounds for this concern. Among them is the fact that President Monge has refused to begin talks with Nicaragua on possible instruments to bring peace to the area.

Moreover, an important sector of the Costa Rican press also believes that the United States is opposed to any measure that could affect the activities of the counterrevolutionary groups that are armed, financed, advised, and controlled by Washington. This concern is shared by Costa Rican leftists who keep an updated list of the areas used by the mercenaries.

The OAS resolution, as Nicaraguan President Daniel Ortega said, was a battle won in favor of peace in the area. Costa Rica should not feel that it was defeated and Nicaragua does not regard it as its victory. It is only an important step toward peace.

COMMENTARY SEES COSTA RICAN GUARD AS 'ARMED FORCES'

PA221611 Havana International Service in Spanish 2310 GMT 19 Jul 85

["Our America" commentary]

[Text] Renowned newsman Gregorio Selser recently referred to the story of the gypsy who tried to sell an old rooster to a peasant, pretending that the animal was a gander. After watching the animal's behavior in the henhouse for awhile, the peasant said to the gypsy: He does not crow like a gander; he says cock-a-doodle-doo, he has a comb; and he likes hens. You may call him a goose, but he is a rooster.

The story can be compared to the Costa Rican Government's continuing to boast that it has no army when facts indicate that an armed body is already in full formation. It is true that the so-called Costa Rican Civil Guard does not yet have laws to guarantee the careers of the participating military; there is no hierarchical structure; and the highest rank is colonel. Nevertheless, there are legislative bills aimed at achieving its institutionalization. The growth of the Costa Rican Civil Guard is well known. In 1983 this body's membership increased to 7,000. Two years later, in 1985, the figure rose to 12,600. Although it continues to be called a guard, this Costa Rican armed body is increasingly adopting the qualities of a professional army. In other words, no matter how it tries to look like a gander, it is a rooster.

The growth of the Costa Rican Civil Guard has taken place basically during the regime of President Luis Alberto Monge. It is under his regime that it first appeared in MILITARY BALANCE, the British publication, as an armed forces. It was Luis Alberto Monge who yielded to U.S. pressures to militarize Costa Rica. We recall that his predecessor Rodrigo Carazo was also subjected to similar pressures. Carazo, however, toward the end of his mandate protested on two occasions to the U.S. State Department over the call to arms made by then U.S. Ambassador Jeanne Kirkpatrick in Santiago, Chile, and Lima, Peru.

The militarism under way in Costa Rica is a warning signal not only for the peoples of the region, but for the Costa Rican people themselves. With this policy, which is being implemented as a result of Washington's pressures, the 1949 Constitution has been ignored. This Constitution prohibited the establishment of a regular and professional army. Unfortunately, Costa Rica's fame as a country with more teachers than soldiers is coming to an end, and the advanced social reforms that characterized life in that nation have suffered a serious setback.

It is not that Costa Rica did not have an armed body. But the Civil Guard, as they are called in that country, never exceeded 5,000 members. Between that figure and the more than 12,000 members of the present Civil Guard there is a significant difference. Moreover, the Costa Rican region bordering on Nicaragua has been of obvious interest to the Pentagon, which has made plans for the construction of strategic highways and other objectives to serve its aggressive interests against the neighboring country. That region, as is well known, is used as a hideout and operations base by counterrevolutionary groups carrying out attacks against Nicaragua.

The function of Costa Rican territory as a screen for the counterrevolutionaries who attack Nicaragua and Washington's political and military pressures on the Costa Rican Government indicate that the country known for having more teachers than soldiers exists only in our memories.

RAUL CASTRO PRESIDES OVER GRADUATION CEREMONY

FL181250 Havana Domestic Service in Spanish 1100 GMT 18 Jul 85

[Text] Army General Raul Castro has presided over the Havana graduation ceremony of approximately 1,700 engineers and architects enrolled in the Jose Antonio Echeverria Higher Polytechnical Institute. In his keynote address, Jose Ramon Balaguer, Communist Party of Cuba Secretariat member, said the graduation was taking place in the environment of the Moncada anniversary celebration and on the eve of the third congress of the Communist Party.

RAUL CASTRO PRESIDES OVER CHILDREN'S DAY

FL221305 Havana Domestic Service in Spanish 1100 GMT 22 Jul 85

[Text] Army General Raul Castro, party Central Committee second secretary, has presided over the Children's Day main ceremony held in Havana's Jose Marti Pioneer City. Upon the Pioneers' request, Raul spoke at the ceremony. He said Fidel's remark that each generation shaped by the revolution is better than the previous one, is justified.

A few hours earlier, Raul had inaugurated Las Tunas provincial Jose Marti Pioneer Palace, where he also unveiled a monumental statue of the national hero. The first vice president of the Councils of State and Ministers also presented to the province's head municipality the banner accrediting it as the third to be "Ready for Defense."

Ceremony Held

FL222003 [Editorial Report] Havana Television Service in Spanish at 2100 GMT on 21 July carries live coverage of Children's Day main ceremony held at Jose Marti Pioneer City in Havana. The opening shot shows a group of Pioneers standing and cheering Army General Raul Castro, who is arriving at the Pioneer City grounds. After the Cuban anthem is played, the Pioneers continue chanting and cheering Raul Castro.

An unidentified Pioneer girl addresses the crowd. She introduces Pioneer Eliezer Constante (Bognave) who reads the Jose Marti Pioneer's organization declaration on the occasion of the Children's Day. The Pioneer girl hands awards given to the most outstanding provinces in Pioneer-related tasks during 1984-85 academic year. Villa Clara Province obtained the third place. There was a tie for the second place between Pinar del Rio Province and Matanzas Province. Santiago de Cuba Province won first place. A trophy commemorating the 12th Youth and Students Festival was received by a Pioneer City representative.

Carlos Lage, Union of Young Communist [UJC] secretary general, is introduced as the keynote speaker. He says that although Cuban President Fidel Castro is always present during Children's Day celebrations, this year he was unable to attend. However, he says, "Fidel is always present." Lage praises the children by saying "children are the greatest treasure of the revolution," "they are the fatherland's future." He talks about the Pioneers' achievements, underscores the Explorers' and the Pioneers' contribution to defense. Lage also acknowledges the Pioneers' parents and teachers. The UJC general secretary mentions new Pioneer facilities opened throughout the country and others under construction.

Carlos Lage referred to the foreign debt issue. He said "our Pioneers are aware of this struggle; despite their youth they understand the fairness, the need, and the importance of the principles we defend today." When Lage ends his speech, the children continue chanting and ask Army General Raul Castro to speak, although he was not scheduled to do so.

Raul Castro agrees to address the crowd. He talks about the positive political mood he has noticed in different parts of the country he has toured. Raul agrees with Fidel Castro's remark that each new generation the revolution shapes, is better than the previous one. When Raul ends speaking, the Pioneers chant slogans once more and end singing a Pioneer song. The ceremony transmission ends.

RAUL CASTRO DECORATES ARMORED TANK WORKERS

FL190209 Havana Television Service in Spanish 0000 GMT 19 Jul 85

[Text] Army General Raul Castro Ruz, party Central Committee second secretary and FAR minister, has decorated a group of workers who helped manufacture Dragon One, first armored tank of the Antonio Maceo No 2 Invader Column, commanded by Camilio Cienfuegos.

HEAVY INVESTMENT REQUIRED IN SPARE PARTS AREA

FL191957 Havana Domestic Service in Spanish 2300 GMT 18 Jul 85

[Text] According to a study conducted by Soviet specialists in 11 of the state's central administration bodies, Cuba must invest between 116-120 trillion pesos to achieve the development planned until the year 2000 in the area of spare parts manufacture and repairs. The study indicates that 50 percent of this investment must be used to rebuild companies, shops, and other establishments that manufacture or repair spare parts, and provide them with technical equipment. The rest should be used to increase production.

FISHING INDUSTRY ADDS $10 MILLION TO ECONOMY

FL201900 Havana Television Service in Spanish 1700 GMT 20 Jul 85

[Excerpts] The fishing industry in Pinar del Rio has now netted 681.5 tons of their 1,000-ton goal in lobster production. This amount will add $10 million to the national economy, which will be turned over to Fidel Castro by a Pinar del Rio delegate to the party third congress, which is the principal motivation for these fishermen. The total plan for the industry is 3,150 tons and may reach 4,150 tons.

Jose Ramon Machado Ventura, member of the party Central Committee Politburo; Jaime Crombet, Secretariat member; Evaristo Baranda, Central Committee member and Fishery Industry Workers Union secretary general; and Orlando Lugo Fonte, Central Committee alternate member and first secretary of the party in Pinar del Rio, met the fishermen as they arrived yesterday at the fishing port La Colema, after having been fishing since 1 July.

During the activities banners were awarded to the ships that have achieved the second and third step of millionaire. Orlando Lugo Fonte made the closing statements.

The provincial party meeting in Pinar del Rio has taken place with the presence of 290 delegates and Politburo members Jose Ramon Machado Ventura and Julio Camacho Aguilera. Also present were Jaime Crombet and Orlando Lugo Fonte.

DOMINICA

CHARLES CALLS FOR CARICOM SECRETARIAT RELOCATION

FL231552 Bridgetown CANA in English 1505 GMT 23 Jul 85

[Text] Roseau, Dominica, July 23, CANA -- Prime Minister Eugenia Charles has reiterated her call for the removal of the Secretariat of the Caribbean Community (Caricom) from Guyana, but says she had no intention of bringing the matter before Caricom heads of government. The Dominican leader also said that at no time did she suggest that next year's summit not be held in Georgetown. Earlier this month, Charles announced that she will not be attending the Guyana summit for security reasons. I did not say that the meeting should not be held there. The decision was made and, though everything requires unanimity, I could have said no, Charles told reporters. I did not say that because I was not at the meeting (in Barbados) when the ministers made their decision, and I accept that, she added.

Charles said Guyanese President Forbes Burnham should be the first person to agree with her suggestion for a relocation of the Secretariat to a more central area, in light of the difficulties now being confronted by the integration movement. She did not elaborate. Charles said that even before entering government, she had called for a relocation of the Secretariat, and I will stick to it until something magical happens to make me change my mind. The others don't have to agree with me on that, that's why I don't go with it (Caricom summits) as a resolution...but the fact is that I still think that if Burnham is really interested with the regional integration, he will be the first to have the Secretariat move to somewhere else, she said.

PRIME MINISTER COMPLETES MINISTERIAL APPOINTMENTS

FL231440 Bridgetown CANA in English 1418 GMT 23 Jul 85

[Text] Roseau, Dominica, July 23, CANA -- Prime Minister Eugenia Charles has appointed two new parliamentary secretaries (junior ministers) to complete her ministerial appointments. Retired headteacher Senator Bernard Carbon, who unsuccessfully contested the July 1 general election, has been assigned to the Ministry of Agriculture, and Allan Guye given responsibility for housing. Charles said that housing was going to be an important sector of her administration's development plans in the next five years. She also promised changes in senior civil service positions.

CHARLES PREDICTS 5 PERCENT 1985-86 ECONOMY GROWTH

FL231814 Bridgetown CANA in English 1559 GMT 23 Jul 85

[By Peter Richards]

[Text] Roseau, Dominica, July 23, CANA -- Dominica's Prime Minister Eugenia Charles, pledging to maintain her economic policies, has predicted a five per cent real growth in the country's economy for 1985-86. Speaking last night at her first news conference since being re-elected earlier this month, Charles said that heavy rains last November, which caused millions of dollars in damage to infrastructure and crops, were a serious setback to government's economic plans. I don't think (economic expansion) will be more than five per cent, because we had a serious setback in November, she said.

She saw some hope in the fact that the pound sterling had gained much strength over the past weeks. Dominica's main export, bananas, has suffered because of the decline in the value of sterling. Charles said Roseau was awaiting assistance for the banana industry from Britain, the chief market. She gave no details of the proposed aid package, but said it should serve to entice farmers to increase production.

She agreed with a recent Caribbean Development Bank (CDB) report that Dominica's economic performance in 1985 will depend on continued progress on the banana rehabilitation programme and other major public sector projects.

Asked if she intended adopting any new economic policies, Charles pointed to both the World Bank and the CDB reports showing that her economic policies of the past five years had been working for the former British colony. The important thing, however, is that we must be able to provide more, must be able to earn more, so, therefore, we are really going to spend more time on marketing and production angles to ensure that we can produce and sell everything, she said.

Charles said that the island's economy had improved drasticaally over the past few years. Domestic savings had increased by as much as 50 percent, and gone were the days when there were times when the banks could not give loans, she said.

She announced that her fiscal budget for the period 1985-86 will be presented to parliament during the first half of next month, but declined to disclose any details of it. I think there will be more benefits...I will not say more than that. The Dominican leader said that a multi-million dollar housing project aimed at replacing a number of old houses in the capital will start next January.

GRENADA

BLAIZE REPORTS 'MODEST IMPROVEMENT' OF ECONOMY

FL232235 Bridgetown CANA in English 1828 GMT 23 Jul 85

[By George Worme]

[Text] St George's, Grenada, July 23, CANA -- Grenada Prime Minister Herbert Blaize last night reported a modest improvement in the economy during the first half of the year. Blaize spoke in a nationwide radio broadcast in which he reminded Grenadians that his government last December had inherited a run-down economy with agriculture, the main foreign exchange earner, depressed, industry stagnant, the construction industry almost non-existent, and unemployment around 30 per cent. He said the situation was also one in which 85 per cent of revenue had to be spent on debt servicing and wages. Blaize said the only bright spot on the economic horizon was in the area of tourism, but this alone could not pull the country through the difficult period as the public finances were grim.

He said there was a 30 per cent increase in stay-over visitor arrivals in the first half of this year when compared to the same period last year. In the cruise business, as compared to the 11 ships which visited Grenada last summer, the island now expects 45 ships to call at the St George's seaport.

Blaize said that the agricultural sector continued to have constraints with farmers continuing to face a number of problems, particularly high input costs. He said that cocoa exports increased by 30 per cent in the January to June period of 1985, while banana earnings received a beating due to the low exchange rate of the pound sterling, the currency used in trading the fruit. However, he spoke of a positive sign in the agricultural sector in that there was an increase in the export sales of fresh fruit with the island fetching EC7.4 million dollars this year as opposed to 4.8 million dollars last year.

Blaize said the involvement of government in business was taking up about 40 per cent of available credit which served to frustrate individual effort coupled with the fact that there were burdensome takes [as received] considered to be the highest in the Organisation of Eastern Caribbran States (OECS), and constraints in infrastructure, notably in roads, telephone, and electricity services.

The prime minister said he was able to provide some tax relief to give incentives for greater productivity in April's national budget.

Blaize said that over the last six months sales of building materials and food increased by 25 per cent, and there were increases in deposits in the banking institutions, as well as more loans being available for people to do productive work. He said that deposits at the banks had actually increased from 157 million (one EC dollar: 37 cents U.S. dollars in the first half of 1984 to 171 million dollars in the corresponding period) this year, and that loans increased from 101 to 118 million dollars. He indicated that unfortunately most of the loans were given for consumer goods such as fridges, stoves, and motor vehicles, with little given for productive investment so that people would get continuing employment and improved conditions. However, Blaize said these two areas could see improvements in the months ahead because his government had received applications by investors who are interested in doing business on the island in manufacturing and hotel construction. The prime minister said that although there is no readily available information on the actual employment figures, the national insurance board had provided figures to show that 2,500 jobs have been created since January.

Discusses 'Heavy Debt Burden'

FL232240 Bridgetown CANA in English 2041 GMT 23 Jul 85

[Text] St George's, Grenada, July 25, CANA -- The Grenada Government has not been able to meet some of its loan repayments because of its heavy debt burden, Prime Minister Herbert Blaize says. In a radio broadcast last night Blaize said the public debt of EC168 million dollars was more than twice what we expect to earn without pressure.

Blaize said the government would have to service the debt with about one-third of its revenue and because of hardship the island was unable to meet some of its debts to the International Monetary Fund (IMF), the Organization of Petroleum Exporting Countries (OPEC), Plessey Airports Limited, East Germany and Libya.

On the Plessey loan for the installation of navigational equipment at the Point Salines International Airport, he said the government could not pay the first installment of 1.8 million dollars of the 8.43 million pounds sterling owed to the company. The government is currently holding discussions with the British Government-backed Export Guarantee Scheme to help facilitate the repayment of the loan, the prime minister said. Blaize said his government was committed to having the entire airport project completed on schedule.

He gave no details about the size of the debts to the other countries and organisations. We have paid so far for this year 8.7 million dollars in principal, and 5.2 million dollars in interest. We still have a deficit of 19.9 million dollars, and our financing deficit is definitely grim, he said.

The prime minister disclosed that the government owed more than 8 million dollars in the arrears of debts because of its decision to defer contributions to regional and international organisations, and the state-run National Insurance Scheme (NIS) in Grenada. Blaize said: We intend to do everything to close this fiscal gap that we inherited. Where we cannot pay our loans that we inherited, we are going to try to reschedule them so that we have a broader spread in time in which to meet the heavy burden of debt repayment. We have definitely agreed not to go ahead and borrow any more money than was borrowed over the last six years, money borrowed forgetting that money had to be paid back in short terms like eight and 10 years, he added.

Blaize stressed that his government would be prepared to accept only grants like those given by the European Economic Community (EEC), the United States, and Canada, or soft loans from the International Development Association (IDA) of the World Bank such as a five million U.S. dollar loan given to resuscitate the agricultural sector.

On public finances, Blaize said that although government was able to obtain the target of 49 million dollars set in the first six months from its projected budget of 95 million dollars for the entire year we had to hold back on expenditures to about 47 percent or 57.8 million dollars.

CANADIAN BANK ASKED TO HELP PAY AIRPORT DEBT

FL221456 Bridgetown CANA in English 1714 GMT 21 Jul 85

[Text] St George's, Grenada, July 21, CANA -- Grenada's seven-month old government has entered into negotiations with a Canadian bank to help the island pay off money owed to Plessey Airports Limited (PAL) for work done at the Point Salines International Airport, a cabinet minister has said. We have approached the Bank of Nova Scotia and, at this point in time, the prospect of resolution of the problem looks rather good, Communications and Civil Aviation Minister Dr Keith Mitchell told CANA.

Plessey wrote the Grenada Government just over a month ago requesting immediate payment of 8.4 million pounds sterling for installing navigational equipment at the airport. Under the terms of the contract negotiated between the ousted left-wing People's Revolutionary Government (PRG) and Plessey in 1982, Grenada is expected to pay the company 470,000 punds every six months. The first payment should have been made in April, but Grenada defaulted. The interest due then was 230,000 punds.

Dr Mitchell said that the bank had been approached to pay Plessey the outstanding money owed as a sort of holding loan situation so that when we receive some of the budgetary support from U.S. AID (the United States Agency for International Development) we can repay that sum of money to the bank. He said Grenada was hopeful that, within a week, the island would receive parts for equipment at the airport as part of the agreement with Plessey in order to keep the work programme on schedule.

Work on completion of the arrival area of the terminal building and other associated infrastructure is continuing at the airport in parallel with airline operations. Temporary facilities have been provided to handle arriving passengers and luggage at the airport, opened nine months ago. The airport has been designed to facilitate the economic development of Grenada, especially with regards to tourism, enabling direct international flights by wide-bodied jets to and from Grenada, without transfer of passengers through other Caribbean countries.

POLICE CHIEF ON WITHDRAWAL OF U.S. TROOPS

FL221830 Bridgetown CANA in English 1726 GMT 22 Jul 85

[Text] Port-of-Spain, Trinidad, July 22, CANA -- Grenada's Police Commissioner Russell Toppin says last month's withdrawal of United States troops from Grenada has not curtailed the ability of the Grenadian Government to dail effectively with any insurrection or subversive activity. Toppin spoke to reporters during a recent visit to Trinidad and Tobago where he served as deputy police commissioner before taking up a three-year-appointment last January to head the police service of his home country.

Toppin said the people of Grenada would be eternally grateful to the United States for training a paramilitary unit of the police service. He said this unit comprises a highly trained 90-member special security unit which serves as the main strike force against terrorism. Commissioner Toppin said the unit was trained for counter insurgency and, although there has been no cause to go into action, it was prepared for any development. The SS unit has a reputation of being the best trained in the region, and undertakes the anti-terrorism duties in the absence of an army, Toppin said.

OPPOSITION LEADER APPOINTED TO ACCOUNTS COMMITTEE

FL201512 Bridgetown CANA in English 1420 GMT 20 Jul 85

[Text] St George's, Grenada, July 20, CANA -- Grenada's opposition leader Marcel Peters was named yesterday as chairman of a three-man public accounts committee of parliament. Peters, who heads the small Grenada Democratic Labour Party (GDLP), is the sole opposition voice in the House of Representatives.

The other two members of the committee are Deputy Speaker of the House Phinsley St Louis and female parliamentarian Grace Duncan, both of the ruling New National Party (NNP).

Prime Minister Herbert Blaize said in parliament in April that the public accounts committee to be selected by parliamentarians would examine the financial stewardship of the government. With the return of full parliamentary democracy, Blaize said it was imperative that the proper parliamentary control on expenditure be observed and that the machinery to guarantee its observance be fully put in place. Grenada returned to Westminster parliamentary democracy last December after four-and-a-half years of left-wing revolutionary rule.

HAITI

GOVERNMENT PREDICTS DUVALIER REFERENDUM TRIUMPH

FL231845 Bridgetown CANA in English 1748 GMT 23 Jul 85

[Text] Port au Prince, Haiti, July 23, CANA-REUTER -- Haiti's government today predicted triumph for President Jean-Claude Duvalier in a referendum on a new constitution declaring him president for life. The yes's will triumph over the no's, government spokesman Guy Mayer said of the poll yesterday. First results are expected later today.

The new constitution, to replace on declared void in June, would also allow Duvalier the right to name his successor. Duvalier became president in 1971 on the death of his father Francois, also known as Papa Doc. The family has ruled the Caribbean state for 28 years.

Mayer said there had been no incidents during the voting, in which ballots were placed in either a yes box or a no box.

Critics of the government said the referendum, the third in 20 years, was rigged. But diplomats called it a positive step for Haiti, whose government has been accused of widespread human rights abuses. The diplomats claimed the human rights situation in the country of six million people had improved recently, though Haiti was still plagued by enormous social problems, including 50 per cent unemployment and an average income of less than U.S. 300 dollars a year. The diplomats said the United States and other western nations had threatened to cut off vitally-needed foreign aid last year if Haiti's human rights record did not improve. Haiti, which shares the Caribbean island of Hispaniola with the Dominican Republic, is rated one of the most impoverished countries in the world.

JAMAICA

WORKERS PARTY CONDEMNS LATEST IMF AGREEMENT

FL221447 Bridgetown CANA in English 1853 GMT 20 Jul 85

[Text] Kingston, Jamaica, Jul 20, CANA -- The left-wing Workers Party of Jamaica (WPJ) has condemned the latest 120 million dollar (U.S.) International Monetary Fund (IMF) agreement with government here and charged that it will lead to further local currency devaluations, new taxes, and a cut in the budget deficit of two per cent of gross domestic product (GDP). The WPJ said the measures would also lead to the layoff of at least 35,000 government workers and the further destruction of the education system. At the same time, it will result in a sharp growth in profits and is being accompanied by a rapid build-up in recruitment in the Army by the (Edward) Seaga government, the WPJ added. Government and the IMF agreed last month to a new 20-month programme in a continuing effort to stabilise the shaky Jamaican economy. The government's economic adjustment policies, including previous IMF loan agreements, have already led to large scale public and private sector layoffs, a drastic fall in the value of the Jamaica dollar, and a rocketing of prices on a wide range of commodities.

DOCTORS IGNORE ORDER, CONTINUE WORK-TO-RULE

FL221926 Bridgetown CANA in English 1901 GMT 22 Jul 85

[Text] Kingston, Jamaica, July 22 CANA -- Junior doctors in Jamaica have decided to continue their work-to-rule in defiance of the staff order imposed on Saturday by the Ministry of Health. The ministry instructed medical officers to work longer hours in order to retain emergency services at public hospitals as consultants were unable to provide coverage to the acutely ill after 5 p.m. A spokesman for the junior doctors said they were continuing their industrial action as we cannot be forced to labour.

The junior doctors last week resumed a work-to-rule, 8 a.m. to 5 p.m., to back demands for a better offer for fringe benefits and for payment for work done in excess of 40 hours. The action taken by the junior doctors has badly affected government hospitals which are dealing only with emergency cases after 5 p.m. Meanwhile, Labour Minister J.A.G. Smith called a meeting with the junior doctors at his ministry today. The doctors are also due to meet to discuss the matter of overtime. Overtime pay is a sore point with the doctors. They claim that they have to work long hours and are not being remunerated according to the law. They are consulting their lawyers on the issue, medical sources said.

TRINIDAD AND TOBAGO

DIPLOMATIC RELATIONS ESTABLISHED WITH ROK

FL231355 Bridgetown CANA in English 1319 GMT 13 Jul 85

[Text] Seoul, July 23, CANA-REUTER -- Trinidad and Tobago and South Korea agreed today to establish diplomatic relations and exchange ambassadors, the Foreign Ministry said. The agreement was signed by South Korean Vice Foreign Minister Yi Sang-ok and Foreign Minister Errol Mahabir who is accompanying Prime Minister George Chambers on a six-day visit. They also signed an economic and technical cooperation agreement to help to expand ties between the two countries, the ministry said. Trinidad and Tobago does not nave diplomatic ties with North Korea, which competes with South Korea for support in the Third World.

Officials said trade between the two countries, which totaled about 10 million dollars last year, was expected to grow rapidly in the future.